Political Danger

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, the basic flaws of reasoning behind the fair trade bill, which would permit manufacturers to go around antitrust and set retail prices, will come to light sooner or later. Sometimes the obvious is difficult to see.

Imagine asking that antitrust price conspiracy laws, originated to protect businessmen and consumers alike, be set aside. Imagine, trying to eliminate the need for women shopping around. Imagine, eliminating competition in a free enterprise market system.

Fair trade is a contradiction, is self-defeating and will hurt most those it is designed to help. One has but to study the bill and understand marketing and merchandising to see this.

When the fatal flaws are clearly seen, the consumers will not be forgiving of these Federal representatives who put this law on the books. It is not unlikely that even those manufacturers and retailers who thought they wanted fair trade price fixing will turn against those legislators who accepted their earlier advice and passed this law.

Marketplace, Not Manufacturer Nor Congress, Sets Prices

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, what Congressman, bureaucrat, judge, or jury can tell you the "prices that are adequate to stimulate—and low enough to enable"—page 2, H.R. 1253, fair trade bill.

They cannot. It takes thousands, even millions of buyers, a free people in a free society freely bargaining for competitive merchandise at a mutually agreeable price. The price naturally results then like water seeking its level.

Now comes Congress to tell the public that from now on by Federal decree, we will let manufacturers tell the retailer what price they must charge. Are manufacturers all-knowing? Can they set the prices substituting the resale price maintenance of the fair trade bill for the spontaneous price setting of people in the marketplace through supply, demand, and competition? Yes, anyone can set a price, but who will buy if the price is too high? And if they do not buy who is hurt—the consumer?

Possibly so, but most hurt will be the retailer for whom the fair trade bill is intended. Meanwhile, the big competitor chainstore or department store with his own brand merchandise cleans up. Fair trade indeed.

SENATE

WEDNESDAY, MARCH 25, 1959

The Senate met at 10 o'clock a.m.

Rev. Peter N. Kyriakos, Greek Orthodox Cathedral, Boston, Mass., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Almighty God, who art worshiped and glorified at all times, at every hour, both in heaven and on earth, we fervently thank Thee for the rich and perfect blessings granted to Thy children, especially in our blessed land. We thank Thee for the high principles of our civilization, the democratic Christian principles, by which Thou hast seen fit to guide us, and for the spirit of brotherly love inspired by Thy teachings.

We beseech Thee, O Lord, our God, to receive at this very hour our supplications, and to direct our lives in the way of Thy commandments. Encompass us with Thy holy angels, that guided and guarded by Thy hosts, we may attain the knowledge of Thine unapproachable glory. Keep us ever mindful of the mercies of Thy grace. Make us ever grateful, not only for special blessings which we may personally enjoy, but also for the manifold blessings which, as citizens of this great Nation, we share in common. Give to us all—the leaders and citizens of our great Nation—Thy guidance and inspiration in our every endeavor. As we are today mindful of the martyrdom and sacrifice of the Greek people in their valiant struggle for independence and for their ancient principles of democracy, we pray Thee to strengthen us in those democratic convictions and to keep us ever mindful of our sacred responsibilities toward our fellow men, Thy children.

Bless richly, O Lord, Thy servants, the most faithful and God-fearing President and Vice President of our Nation, and the honorable representatives of Thy people, gathered here today. Strengthen them in their calling, and make them ever worthy of the great stewardship which Thou hast seen fit to entrust to them. Bless, enlighten, and direct all those upon whom the responsibility of leadership rests, for Thou art the way, the truth, and the life; and blessed art Thou now, and forever, from all ages to all ages. Amen.

THE JOURNAL

On request of Mr. KUCHEL, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 24, 1959, was dispensed with.

TRIBUTE TO REV. PETER N. KYRIAKOS

Mr. SALTONSTALL. Mr. President, it gives me great pleasure formally to welcome Rev. Peter Kyriakos, the assistant dean of the Greek Cathedral of the Annunciation, in Boston. Dean Kyriakos carries forward in this country the tradition of the Greek people and their church. Many freedom-loving citizens of Massachusetts and of the United States trace their ancestry to Greece; but, in a larger sense, all of us trace many of our proudest traditions of science, medicine, literature, and democracy to the culture of ancient Greece.

Today is the 138th anniversary of the independence of Greece. In their homeland and in many nations which, like ourselves, have received immigrants from Greece, this 138th anniversary is being celebrated today. We are proud to honor this anniversary, for there is no more independent people or greater lovers of freedom than the people represented here by Reverend Kyriakos.

I join in expressing the best wishes of all of us to the people of Greece.

Zito Héllas! Long live Greece!

Mr. President——

The VICE PRESIDENT. The Senator from Massachusetts.

TRIBUTE TO GREEK ORTHODOX ARCHBISHOP

Mr. SALTONSTALL. Mr. President, it is a great honor to join with other Members of this body in welcoming back to the United States the new Greek Orthodox archbishop of the New World. Recently he served as metropolitan of Malta, having risen in responsibility to this position from a position as deacon of the Boston archdiocese. Boston viewed his ordination to priesthood in 1940, and following that event he served in Connecticut and St. Louis before returning to Boston to be dean of the Greek Orthodox Cathedral of the Annunciation from 1942 to 1954. From there he went to Malta.

Metropolitan James, while at Boston, took advantage of our great opportunities for further study in Massachusetts by taking an advanced degree at Harvard in theological studies. For a time he also contributed to our halls of learning by lecturing at Harvard, Boston University, and other institutions. He served as a director of the Holy Cross Orthodox Theological School in Brookline, Mass., which, I understand, is the only school of its kind in our Nation.

Father Coucouzis, as he was known to his friends and admirers in Boston, who number in the thousands, was greatly admired for the fine work he did while with us in Massachusetts. We wish him well in his new office as archbishop of the Greek Orthodox Church of North and South America and his former parishioners in Boston look forward to his continued leadership in their church.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Stabilization of the Committee on Agriculture and Forestry;

The Committee on Labor and Public Welfare;

The Subcommittee on Health, Education, Welfare, and Safety of the Committee on the District of Columbia; and

The Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. KUCHEL. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KUCHEL. Mr. President, there are several nominations on the Executive Calendar. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. KUCHEL. Mr. President, I ask unanimous consent that these postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KUCHEL. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ENTITLED "PROGRAM FOR THE NATIONAL FORESTS"

A letter from the Secretary of Agriculture, transmitting, for the information of the Senate, a report entitled "Program for the National Forests," which, with the accompanying report, was referred to the Committees on Interior and Insular Affairs and Agriculture and Forestry, jointly, under authority of the order of the Senate of March 24, 1959.

REPEAL OF SECTION 8F OF AGRICULTURAL ADJUSTMENT ACT OF 1933

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

AUDIT REPORT ON FOREIGN AGRICULTURAL SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Foreign Agricultural Service, Department of Agriculture, January, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF CAPEHART HOUSING PROGRAM, FORT BELVOIR, VA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the Capehart housing program of the U.S. Army Engineer Center and Fort Belvoir, Fort Belvoir, Va., dated March, 1959 (with an accompanying report); to the Committee on Government Operations.

PROPOSED ALASKA OMNIBUS ACT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, COLLBRAN PROJECT, COLORADO

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands to be served by the Collbran project, Colorado (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS

A letter from the Acting Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1958, through December 31, 1958 (with an accompanying report); to the Committee on the Judiciary.

RESERVATION OF MEMALOOSE ISLAND, COLUMBIA RIVER, OREG., FOR USE OF THE DALLES DAM PROJECT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor (with an accompanying paper); to the Committee on Public Works.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, National Council, Boy Scouts of America, New Brunswick, N.J., transmitting, pursuant to law, a report of the Boy Scouts of America, for the year 1958 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a memorial from the Statehood Republican Party of Puerto Rico, of San Juan, Puerto Rico, signed by Miguel A. Garcia Mendez, state chairman, and Luis A. Ferre, vice chairman, remonstrating against the proposed repeal of the law concerning Federal relations with Puerto Rico; to the Committee on Interior and Insular Affairs.

A telegram in the nature of a memorial from Dr. Leopoldo Gifueroa, floor leader, Statehood Republican Party representative, and Senator Miguel A. Garcia Mendez, floor leader, Statehood Republican senators, of San Juan, Puerto Rico, remonstrating against the proposed repeal of the law concerning Federal relations with Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the mayor and Board of Supervisors of the City and County of Honolulu, T.H., expressing appreciation for the Senate vote granting statehood to Hawaii; ordered to lie on the table.

By Mr. McNAMARA:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Public Works:

"SENATE CONCURRENT RESOLUTION 13

"Concurrent resolution urging action by the Congress of the United States concerning the grave situation that exists with respect to divergence of waters from Lake Michigan by the city of Chicago, Ill.

"Whereas the State of Michigan since 1926 has been unalterably opposed to the diversion of water from Lake Michigan by the State of Illinois and its creature, the Sanitary District of Chicago, and was a complainant in the several suits that were filed in the Supreme Court of the United States against the State of Illinois and said sanitary district by the States of Minnesota, Wisconsin, Ohio, Pennsylvania, and New York; and

"Whereas since it was inadvisable to require the State of Illinois and the Sanitary District of Chicago to reverse the flow of the Chicago River back to Lake Michigan because of the highly contaminated condition of the river at that time, the Court temporarily allowed the Sanitary District of Chicago to discharge its sewage effluent into the sanitary canal flowing into the Des Plaines River until they had constructed the necessary sewage disposal plant. Said sewage treatment plants have been constructed and have been operating for many years; and

"Whereas the attorneys general of the States of Michigan, Minnesota, Wisconsin, Ohio, Pennsylvania, and New York have filed a petition in the Supreme Court of the United States asking that the Court review its decree of April 21, 1930, and require the Metropolitan Sanitary District of Greater Chicago to restore to the lake the water designated as "domestic pumpage", now amounting to approximately 1,800 cubic feet per second. It is feared that said domestic pumpage will increase in volume as the population and industry of the Greater Chicago area grows according to predictions; and

"Whereas the diversion of water from Lake Michigan at Chicago creates an embarrassing international situation between the United States and Canada, as a result of which the President of the United States on two separate occasions vetoed bills passed by the Congress permitting an increase in the amount of diversion; and

"Whereas there has been introduced in the present 85th Congress a bill designated as H.R. 1 by Congressman O'BRIEN of Chicago to allow the Metropolitan Sanitary District of Greater Chicago to divert an additional 1,000 cubic feet per second of water from Lake Michigan into the sanitary and ship canal; and

"Whereas the construction of the St. Lawrence Seaway necessitated the deepening of the channels as well as ports and harbors, which costs the taxpayers hundreds of millions of dollars; this would be partially nullified by the lowering of the depths of the waters of the Great Lakes through the diversion at Chicago and detrimental to the total economy and best interests of the State of Michigan: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That all officials of the State of Michigan responsible for protecting the interests of the State against this threat be urged to make every effort to preserve and protect the legal rights and interests of the State of Michigan, both in the Supreme Court of the United States and in the Congress of the United States; and be it further

"Resolved, That Michigan's Senators and Members of the House of Representatives in the Congress of the United States be urged to oppose vigorously and uncompromisingly any bill that may come before them which would allow any increase in the amount of water being presently diverted at Chicago; and be it further

"Resolved, That copies of this concurrent resolution be transmitted to the President of the United States, the Secretary of the Interior, the Governors of the several States named herein, and to each member of the Michigan delegation to the U.S. Congress.

"Adopted by the senate, February 18, 1959.

"Adopted by the house, March 11, 1959.

"NORMAN E. PHILLES,
"Clerk of the House of Representatives.
"FRED I. CHASE,
"Secretary of the Senate."

STATEHOOD FOR HAWAII—RESOLUTIONS

Mr. GRUENING. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions I have received from the legislature and organizations in Hawaii expressing gratitude for the action taken by this body in the admission of Hawaii to the Union.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 66

Whereas the hopes and aspirations of the people of Hawaii for equal rights and privileges with all other citizens of the United States have been realized by the passage of the bill admitting the State of Hawaii into the Union; and

Whereas it is particularly appropriate that special thanks be given to those Members of the Congress of the United States whose patient and tireless personal efforts on behalf of the people of Hawaii brought about the eventual fulfillment of these hopes: Now, therefore, be it

Resolved by the Senate of the 30th Legislature of the Territory of Hawaii, That the special thanks and fondest aloha of the people of Hawaii be, and they are hereby, given to Senator ERNEST GRUENING, of the great State of Alaska, for his patient, forceful, and untiring efforts on their behalf to attain for them full and equal rights and privileges with all other citizens of the United States by the granting of statehood to Hawaii; and be it further

Resolved, That a duly certified copy of this resolution be sent forthwith to the Honorable ERNEST GRUENING.

RESOLUTION 103

Whereas the 86th Congress of the United States of America has enacted monumental legislation permitting the Territory of Hawaii to enter the Union as its 50th State; and

Whereas the difficulty and often disheartening fight to achieve statehood encountered by the people of Hawaii have, nevertheless, mustered to their side friends residing in distant places; and

Whereas of our many friends, we are privileged to embrace not only as friends but as comrades in arms the people of the great State of Alaska; and

Whereas the Senators and Congressman from the great State of Alaska have unceasingly and tirelessly pushed and achieved successfully statehood for Hawaii: Now, therefore, be it

Resolved by the Board of Supervisors of the County of Kauai, State of Hawaii, That Senator E. L. "Bob" Bartlett, Senator Ernest Gruening, Congressman Ralph J. Rivers, Gov. William Egan, and Acting Gov. Hugh J. Wade be and are herein informed of the deep sense of gratitude and aloha that the people of Hawaii, this county of Kauai, have and feel toward all the people of Alaska and their capable and able officials; be it further

Resolved, That copies of this resolution be forwarded to the above-named persons.

RESOLUTION 65

Whereas the hopes and aspirations of the people of Hawaii for equal rights and privileges with all other citizens of the United States have been realized by passage of the bill admitting the Territory of Hawaii into the Union; and

Whereas it is particularly appropriate that special thanks be given to those Members of the Congress of the United States whose patient and tireless personal efforts on behalf of the people of Hawaii brought about the eventual fulfillment of these hopes: Now, therefore, be it

Resolved by the Board of Supervisors in and for the County of Hawaii, That the personal thanks and fondest aloha of the people of Hawaii be and they are hereby given to the Honorable Senator ERNEST GRUENING of the great State of Alaska for his patient, thoughtful, and untiring efforts on their behalf to attain for them full and equal rights and privileges with all other citizens of the United States by the granting of statehood to Hawaii; and be it further

Resolved, That a certified copy of this resolution be sent forthwith to the Honorable ERNEST GRUENING.

Dated at Hilo, Hawaii, this 18th day of March 1959.

RESOLUTION OF NORTHERN TEXTILE ASSOCIATION

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the board of directors of the Northern Textile Association commending the Special Subcommittee To Study the Textile Industry.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Northern Textile Association endorses the conclusions and recommendations of the Special Senate Subcommittee on the Textile Industry, and commends Senator PASTORE, the chairman, the members of the committee, and the staff for a comprehensive, timely, and constructive report.

The sympathetic and thorough hearings conducted in key textile areas have been effectively distilled in the report to bring the problems of the industry clearly and forcibly into focus, and to demonstrate the harmful results of Government policies. The report is a significant contribution to a better national understanding of the textile industry.

The recommendations, if carried out in good faith by the executive departments and implemented where necessary by legislation, should solve the major problems imposed on the industry by Government.

We urge our Senators and Representatives to assist in the implementation of the recommendations of the subcommittee including the appointment by the Senate of a Textile Subcommittee within the Interstate and Foreign Commerce Committee.

We also urge the Secretary of Commerce, in accordance with the recommendations of the committee, to establish forthwith a Textile Interagency Committee and an Advisory Committee as a first step in carrying out the other recommendations of the committee.

RESOLUTIONS OF ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I present for appropriate reference, sundry resolutions adopted by organizations of the State of New York. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were received and appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

[Transcript of minutes, regular meeting, Feb. 4, 1959]

WILLIAM W. DOUD POST NO. 98,
DEPARTMENT OF NEW YORK,
AMERICAN LEGION.

The following resolution was moved by Martin Becker, seconded by Frank Tomdale, and duly carried:

"Resolved, That this post hereby heartily endorses the American Legion three-point

pension program for 1959 and urges the passage thereof upon the U.S. Senate and House of Representatives; and be it further

"*Resolved*, That copies of this resolution be sent to the U.S. Senators from the State of New York, and the Members of Congress of the 38th and 39th New York Districts, and also, to the chairman of the Senate Veterans' Affairs Committee, and the chairman of the House Veterans' Affairs Committee."

I hereby certify that the above is a true copy of a resolution duly passed at the above meeting.

EDGAR C. MITCHELL,
Commander.
CLARA RUTH ARDELL,
Adjutant.

To the Committee on Labor and Public Welfare:

SIR: The following resolution was unanimously passed at the last regular meeting of this post of the American Legion, with a membership of 237:

"Whereas Castle Point Veterans' Administration Hospital has opened a general medical and surgical ward to accomodate veterans in the immediate vicinity;

"Whereas since the ward was opened admissions have steadily increased to a point where it is now contemplated that the hospital will shortly reach a waiting list status in this ward;

"Whereas the veterans of this general area including Dutchess, Ulster, and Orange, Sullivan, and Putnam Counties would be better served if the bed space at the Castle Point Hospital for medical and surgical cases could be expanded;

"Whereas in addition to this expansion, there is need now for a dermatologist, orthopedist and X-ray therapy, etc.;

"Whereas at the present time, three hospital buildings are closed and therefore are not available to use for the care of veterans requiring hospitalization;

"Whereas VA hospitals in New York City and Albany now have a waiting list of veterans applying for admission; yet Congress will not permit the Castle management to utilize the existing facilities: Be it

"*Resolved*, That Beacon Post No. 203 American Legion endorse the use of the full facilities and the reopening of the three hospital buildings for general medical and surgical care at the Castle Point Veterans' Administration Hospital; be it further

"*Resolved*, That Beacon Post send a copy of this resolution to Congressman, J. ERNEST WHARTON, and Senator KENNETH B. KEATING, urging them to do their utmost to expand the general medical and surgical facilities at the Castle Point Hospital."

Respectfully submitted.

WARREN I. HUGHES,
Adjutant.

BEACON, N.Y.

At their regular monthly business meeting of March 12, 1959, the board of education, Plainedge public schools, approved the following:

"*Resolved*, That the board of education of Plainedge Public Schools favors and endorses legislation to provide additional moneys for Public Law 874 and Public Law 815 covering Federal aid to school districts having students whose parents work in defense industries connected with the Federal Government. This endorsement is to be sent to our local Federal legislators, the U.S. Office of Education, the New York State School Boards Association, and the members of the Nassau-Suffolk County School Boards' Tax Relief Committee."

Sincerely,

HENRY A. WEINSTEIN,
President, Board of Education.

To the Committee on Rules and Administration:

"RESOLUTION OF THE 24TH CONVENTION OF THE UKRAINIAN NATIONAL ASSOCIATION

"The 24th convention of the Ukrainian National Association, Inc., a fraternal-benefit organization established in 1894 and which now numbers 75,000 members in the United States and Canada, with assets of $22 million, adopted the following resolution in Cleveland, Ohio, on the 29th of May 1958:

" 'Whereas the 100th anniversary of the death of Taras Shevchenko, the greatest son of Ukraine, falls during the next 4-year term; and

" 'Whereas Taras Shevchenko is regarded as the patron of our organization; and

" 'Whereas this topic was the subject of consideration and efforts of the cultural committee of the Ukrainian National Association; be it therefore

" '*Resolved*, That the 24th convention empowers the supreme assembly, and especially the supreme executive committee and the cultural committee of the Ukrainian National Association, to, first, continue the efforts about the erection of a monument to T. Shevchenko in the Nation's Capital, Washington, D.C.; second, form agreements with other organizations to make the realization of this project and this initiative a concerted, joint effort of the whole community.' "

"RESOLUTION OF THE SEVENTH CONGRESS OF AMERICANS OF UKRAINIAN DESCENT

"The Seventh Congress of Ukrainian Americans, which represents all Americans of Ukrainian descent, adopted the following resolution on February 22, 1959, at Washington, D.C.:

" 'To strengthen and support morally and materially the bill aimed for the dedication of a monument in Washington, D.C., to Taras Shevchenko, the greatest Ukrainian poet, on the occasion of the 100th anniversary of his death, in appreciation for his work for the ideals of freedom.' "

RESOLUTIONS OF FARMERS UNION CENTRAL EXCHANGE, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, on March 2, 3, and 4 in St. Paul, Minn., one of the outstanding farmers cooperatives in this country, the Farmers Union Central Exchange, held its 28th annual meeting. This service cooperative, which has been built by farm people in Minnesota, Wisconsin, North and South Dakota, Montana, and bordering States, is a shining example of how farmers can help themselves by working together. The cooperative makes possible substantial savings to its members in the purchase of the many expensive tools and items needed for the production of farm crops.

However, the interests of these fine people go beyond their immediate day-by-day concerns; they also take an interest in important State and National issues that affect the well-being of all farmers.

Mr. President, I ask unanimous consent that the resolution adopted at the 28th annual meetings of the Farmers Union Central Exchange be printed at this point in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

COMPLETE TEXT OF RESOLUTIONS ADOPTED AT CENTRAL EXCHANGE CONVENTION

(The following is the complete text of the resolutions adopted at the 28th Farmers Union Central Exchange stockholders' meeting, March 2, 3, and 4, in the St. Paul Auditorium:)

1. DISTRIBUTION OF SAVINGS

The distribution of savings of the Farmers Union Central Exchange, Inc., for the fiscal year ending December 31, 1958, made by the board of directors of the corporation, as shown in the minutes of the December 1958 meeting of the board of directors and as set forth in the audit report ending December 31, 1958, is hereby ratified and approved.

2. ECONOMIC POLICY

Prompt and vigorous measures should be taken by the Government to stop the growing recession and unemployment which in some States is exceeding 10 percent of the labor force.

The quickest and most effective way to combat recession and prevent its development into a full-scale depression would be to put income into the hands of producers in agriculture and other basic industries where consumer purchases are presently being held up due to lack of buying power.

On every farm, thousands of dollars in repairs, replacements and improvements would be made if farm prices and income were restored to full parity levels. We believe that this would be the greatest stimulus to consumer demand, business activity and full employment.

An antirecession program which does not provide for farm income improvement simply will not get to the roots of our economic trouble.

3. FARM POLICY

We, the stockholders of the Farmers Union Central Exchange, Inc., command and wholeheartedly endorse the farm policy of the National Farmers Union, and by so supporting it, we present a united front in fighting to get this policy into Federal law.

The Farmers Union farm program is a total program administered by farmers, designed to give real parity of income to farm families.

It calls for Federal enabling legislation to permit farmers to adjust the volume of their commodities going to market.

4. TAX LEGISLATION

We urge Congress to reject proposals of the National Tax Equality Association and similar groups to enact punitive and discriminatory taxes on the savings of cooperative associations.

5. PUBLIC POWER

There exists an ever-increasing need for an abundant supply of low-cost power to facilitate maximum development of the natural resources of the great Northwest States. Utilization of the maximum potential of these resources requires a comprehensive development of the river systems of this area. This can be properly achieved only through the construction of publicly owned multipurpose dams. We urge the Congress to authorize construction of Hells Canyon, Paradise, Yellowtail, and other high, multipurpose dams.

We urge that if Congress authorizes a program of public works to help alleviate the unemployment situation, this would take the form of comprehensive resource development projects, which would reflect the greatest economic benefits to the Nation. Water and power resource development should have the highest priority.

6. REA AND RTA

We reaffirm our continued support for expanding and strengthening REA and rural

telephone service to all rural America. We favor adequate appropriations, so there will be no lessening in the support and extension of loans to farmers' cooperatives to build generation plants and transmission lines when this will increase adequacy or lower cost of service. We urge Congress to reject recommendations to eliminate the statutory limit on interest rates on rural electric and telephone loans. We are opposed to an administration proposal which would force REA systems to seek private financing.

7. PUBLIC RELATIONS

We commend the Farmers Union Central Exchange, Inc., and the affiliated companies, on the fine job they have performed in the past year in the field of advertising and public relations.

We feel our advertising in farm publications, radio, and TV have been a great aid in getting our story to our people.

We recommend continuing and expanding this public relations and advertising program as our growing business warrants.

8. FARMERS UNION CO-OP CREDIT ASSOCIATION

We realize the need for cooperatively owned and controlled credit and endorse the Farmers Union Credit Association and their method of building capital cooperatively, and also the purpose for which such capital is used.

9. CO-OP CREDIT

We strongly recommend that the Farmers Union Credit Exchange, Inc., continue to advise all local cooperatives to develop a sound credit policy so that each association will be encouraged to keep accounts within reasonable bounds. We note that credit practices have reached a dangerous stage in many of our local associations, and we, therefore, urge the central exchange to continue to make available qualified field personnel to assist each local cooperative to work out a sound credit program.

10. CO-OP PATRONAGE

Annual reports of the Farmers Union Central Exchange, Inc., show a continuous growth from year to year, which is a tribute to the excellent management and to the superior quality of our products. However, this growth could be much more rapid if all of our affiliated cooperatives would channel all possible purchases of their supplies through the Central Exchange. Directors should be alerted to the importance of encouraging their managers to increase their business in every way possible with our own regional wholesale.

11. FARMERS UNION HERALD

Whereas for many years, Farmers Union Herald has been published for and in behalf of the stockholder-members of Farmers Union Central Exchange, Inc., and their stockholder-members and the stockholder-members of the Farmers Union Grain Terminal Association and Farmers Union Marketing Association; and

Whereas during all of said time, said Farmers Union Herald has been the recognized official publication of said cooperative associations and has, during all of said time, and does now publish in each issue thereof facts and information relative to the operation, plans, business, and affairs of said associations, including information and facts relating to the marketing of grain, the marketing of livestock, the distribution of automotive and petroleum products, other farm supplies and equipment, and much other information of value to farmers, and especially to said stockholder-members in the areas served by said cooperatives; and

Whereas the stockholder-members of this association and their stockholder-members desire that said publication continue to be issued and forwarded to them through the U.S. mail, and that the subscription price therefore be paid for them by this association; and

Whereas because this association is a cooperative organization wholly owned by its stockholder-members and is in fact their agent, payment of such subscription price by this association on behalf of said stockholder-members is actually payment by them: Now, therefore, be it

Resolved, That the management of this association be and it hereby is directed to subscribe to Farmers Union Herald for and on behalf of each of its stockholder-members and to pay the subscription price therefore for each of said associations and individuals.

12. DISTRIBUTION OF COMMODITIES

We commend the board of directors of the Farmers Union Central Exchange and the Farmers Union GTA for their cooperation and businesslike action in the manufacture and distribution of commodities.

13. IN MEMORIAM—WM. F. HANSON

We mourn the passing of Wm. F. Hanson of Chippewa Falls, Wis., in mid-August. Mr. Hanson was a director of the Central Exchange between 1935 and 1938. His memory will long be revered in the annals of this and other cooperatives.

14. APPRECIATIONS

We wish to thank the officials and citizens of St. Paul for their hospitality.

We express our appreciation to the rooms committee of the Farmers Union Central Exchange, Inc., and to the management and employees of the Twin City hotels for courtesies extended to the delegates and visitors to our 28th annual stockholders' meeting.

We also wish to commend the Twin City press, radio, and television stations for their excellent coverage of our annual meeting.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, with amendments:

S. 899. A bill to provide for the discontinuance of certain reports now required by law (Rept. No. 146).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 1217. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation (Rept. No. 147).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 3648. An act to regulate the handling of student funds in Indian schools operated by the Bureau of Indian Affairs, and for other purposes (Rept. No. 151).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1271. A bill to donate to the pueblo of Isleta certain Federal property in the State of New Mexico (Rept. No. 149).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 418. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the pueblo of Santo Domingo (Rept. No. 150).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 1242. A bill to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision (Rept. No. 148).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III pan-American games to be held in Chicago, Ill. (Rept. No. 152).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself, Mr. MUSKIE, Mr. MORSE, and Mr. WILLIAMS of New Jersey):

S. 1525. A bill to amend the National Security Amendment so as to provide for congressional review of proposed action thereunder and to rescind the action of the President imposing quotas on petroleum and petroleum products; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 1526. A bill to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 1527. A bill for the relief of Sister Araceli Cordero Martin, Sister Cecilia Villanueva Idoate, Sister Ines Orive Vadillo, Sister Marcelina Garcia Zabaleta, Sister Maria Encarnacion Fernandez Fernandez, Sister Maria Belen Garcia Garcia, Sister Amparo Vidal Sastre, and Sister Maria Guadelupe de la Rosa Algundez; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 1528. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Finance.

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 1529. A bill to provide for Federal cooperation with the Nebraska Mid-State Reclamation District, Nebraska, in the construction of the Mid-State project; to the Committee on Interior and Insular Affairs.

By Mr. PASTORE:

S. 1530. A bill relating to the amount of loss recognized for income tax purposes in the case of certain casualty losses; to the Committee on Finance.

By Mr. PASTORE (for himself and Mr. KEATING):

S. 1531. A bill providing that the Administrator of Veterans' Affairs shall recognize representatives of the Italian American War Veterans of the United States, Incorporated, in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration; to the Committee on Finance.

By Mr. NEUBERGER:

S. 1532. A bill to provide for nonquota immigrant visas; and

S. 1533. A bill for the relief of Ho Rim Yoon; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 1534. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S. 1535. A bill for the relief of Leslie L. Nemes; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. McCLELLAN, Mr. MUNDT, and Mr. GOLDWATER):

S. 1536. A bill to amend title 18 of the United States Code so as to prohibit certain interference with Federal construction projects; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 1537. A bill to establish a national mining and minerals policy; and

S. 1538. A bill to stabilize production of lead and zinc from domestic mines; to the Committee on Interior and Insular Affairs.

S. 1539. A bill to prohibit sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold; to the Committee on Banking and Currency.

(See the remarks of Mr. ALLOTT when he introduced the above bills, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1540. A bill authorizing the Secretary of the Air Force to carry out a research and testing program to determine the effectiveness of a certain vegetable product in the treatment of burns, sunburns, poison ivy, and poison oak dermatitis; to the Committee on Armed Services.

By Mr. MURRAY (for himself, Mr. ANDERSON, Mr. GOLDWATER, Mr. JACKSON, Mr. KUCHEL and Mr. O'MAHONEY):

S. 1541. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1542. A bill to amend the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain cases; and to increase the monetary amount of fines for violation of the criminal provisions;

S. 1543. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes;

S. 1544. A bill to amend the Federal Aviation Act of 1958 in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review;

S. 1545. A bill to amend the Federal Aviation Act of 1958 so as to authorize elimination of a hearing in certain cases under section 408;

S. 1546. A bill relating to the use of Civil Aeronautics Board reports and testimony of Board personnel regarding aircraft accidents;

S. 1547. A bill to amend the Federal Aviation Act of 1958 so as to prohibit certain practices regarding passenger ticket sales and reservations;

S. 1548. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air;

S. 1549. A bill to amend section 407 of the Federal Aviation Act of 1958;

S. 1550. A bill to amend the Federal Aviation Act of 1958 to provide for the separation of subsidy and airmail rates, and for other purposes;

S. 1551. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons;

S. 1552. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

S. 1553. A bill to amend the Federal Aviation Act of 1958 to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes; and

S. 1554. A bill to amend the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to regulate the depreciation accounting of air carriers; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. ERVIN, Mr. HILL, Mr. COOPER, Mr. JAVITS, Mr. CHURCH, Mr. WILLIAMS of New Jersey, Mr. RANDOLPH, Mr. MURRAY, Mr. MORSE, Mr. MCNAMARA, Mr. CLARK, Mr. SPARKMAN, Mr. HUMPHREY, and Mr. ENGLE):

S. 1555. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH:

S. 1556. A bill for the relief of M. Sgt. Emery C. Jones; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 1557. A bill for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 1558. A bill for the relief of Theopi Englezos; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1559. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859; to the Committee on Banking and Currency.

By Mr. HUMPHREY:

S. 1560. A bill to provide for the adoption of a capital budget by the Federal Government; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 1561. A bill to establish a home gardening program to assist needy persons in supplementing their food supplies; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER (for himself, Mr. BYRD of Virginia, Mr. ROBERTSON, and Mr. MORTON):

S. 1562. A bill to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. J. Res. 82. Joint resolution designating the black-eyed susan as the national flower of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. BEALL when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. COOPER, Mr. DOUGLAS, and Mr. HUMPHREY):

S. J. Res. 83. Joint resolution to provide for the establishment of an Advisory Council on National Security; to the Committee on Armed Services.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. HUMPHREY:

S. J. Res. 84. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. PROUTY (for himself and 60 other Senators) submitted a resolution (S. Res. 95) extending birthday greetings of the Senate to Robert Frost, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. PROUTY, which appears under a separate heading.)

RESCISSION OF ORDER IMPOSING QUOTAS ON IMPORTS OF OIL

Mr. PROXMIRE. Mr. President, for myself, the senior Senator from Oregon [Mr. MORSE], the junior Senator from Maine [Mr. MUSKIE], and the junior Senator from New Jersey [Mr. WILLIAMS], I introduce herewith a bill to rescind the recent order of President Eisenhower imposing quotas on the import of oil. This proposal of ours would also permit the Congress to act within 60 days of any subsequent order of this kind to cancel any similar action by the President in the future by the majority vote of both Houses of the Congress.

Mr. President, here are some of the reasons why I hope Senators will give this proposed legislation their most thoughtful attention:

First. The oil industry has won a position of excessive and corrupting power and influence in our Federal Government. The favorable effect this Presidential action will have on oil investments and profits is just the latest instance in a series of immense political privileges for oil featured by the lushest tax give-aways any American industry has ever enjoyed.

Second. Unless we reverse this action, the precedent set by the President will encourage an even greater incentive for political influence by the No. 1 special interest in American politics today.

Third. The Presidential order can have only one effect on the cost of living, and that is to push it up. Obviously, by reducing foreign competition through quotas, the pressure on oil prices is sure to be up. This comes at a time of rising demand for oil, and after some oil prices have already risen.

Fourth. The President's action adds the guarantee of a higher and more profitable price to the juicy and stable after-tax profits Federal tax concessions have permitted the oil industry. Has any American industry ever enjoyed such a super combination bonanza at the expense of the taxpayer and the consumer?

Fifth. The President's order introduces a Government price-fixing mechanism in a free-enterprise industry in which there is no shadow of excuse for it.

Sixth. Our own limited domestic oil reserve is sure to be used up faster by this order, which prevents American consumers from utilizing available foreign oil.

Seventh. The order is sure to hurt our allies, some of whom depend heavily on the United States as the prime market for oil as their principal export.

Eighth. The national defense justification for this action given by the President is completely contradicted by the facts. The President argues that quotas would so protect the American industry that more reserves would be proven, and we would be less dependent on shipments of foreign oil that could be cut off in wartime. The failure of reserve exploration to follow a clear pattern of response to demand refutes this.

It is certain that the restriction of foreign oil would assure a greater consumption of the total and limited American oil reserve.

Finally, Canada would be restricted from sending oil into the United States under the President's order, although obviously no overseas oil shipment would be required.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1525) to amend the National Security Amendment so as to provide for congressional review of proposed action thereunder and to rescind the action of the President imposing quotas on petroleum and petroleum products, introduced by Mr. PROXMIRE (for himself, Mr. MUSKIE, Mr. MORSE, and Mr. WILLIAMS of New Jersey), was received, read twice by its title, and referred to the Committee on Finance.

NATIONAL SEASHORE PARK ALONG OREGON SEACOAST DUNES AND SEA-LION CAVES

Mr. NEUBERGER. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, much of man's destiny has been decided where the land meets the sea. Today, Americans are conscious of the wonderful and varied recreational opportunities offered along the beaches and seacoasts of the Nation. Yet many of these areas have been exploited or liquidated so that their recreational value is permanently impaired. The National Park Service has directed our attention to this distressing occurrence along much of the Atlantic shoreline. Alarm over such a situation lies behind the commendable efforts of the National Park Service to save Cape Cod and Cape Hatteras for future generations—if it can be done.

Fortunately, along the Pacific coast the emergency is not so great. We still have time and breathing space in which to think of the future, as the National Park Service has emphasized in a thorough and comprehensive report just released to the country.

No seacoast, Mr. President, is more magnificent or awe inspiring than the 300 miles of rugged shoreline where my native State of Oregon is buffeted by the heaving and foaming surf of the world's greatest ocean, the Pacific.

For this reason I am introducing today, for myself and my colleague, the distinguished senior Senator from Oregon [Mr. MORSE], a bill to establish a national seashore in the Oregon Dunes and at the Oregon sea lion caves. I ask unanimous consent that the text of the bill be included with my remarks at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1526) to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve for the benefit, inspiration, and use of the public certain unspoiled shoreline in the State of Oregon which possesses scenic, scientific, and recreation values of national importance, the Secretary of the Interior is authorized, as provided herein, to establish the Oregon Dunes National Seashore.

SEC. 2. The Secretary of the Interior may designate for inclusion in the Oregon Dunes National Seashore not to exceed thirty-five thousand acres of land and such adjoining waters and submerged lands as he finds are required for the national seashore. Lands designated pursuant to this section shall consist of not more than thirty-four thousand six hundred sixty acres, referred to as Oregon Dunes, and lying between the Siuslaw and Umpqua Rivers in Lane and Douglas Counties; and not more than three hundred forty acres, referred to as Sea Lion Caves, in Lane County, lying approximately seven and one-half miles north of the Siuslaw River.

SEC. 3. (a) Within the exterior boundaries designated by him, the Secretary of the Interior is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act. The Secretary may procure said land and water, or interests therein, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888: *Provided,* That land owned by the State or its political subdivision within the boundaries selected by the Secretary may be procured only with the concurrence of the State or political subdivisions. Any Federal land within the boundaries selected by the Secretary shall be transferred to the Department of the Interior for administration as a part of the national seashore: *Provided further,* That the Federal department or agency having administration over such land shall agree in advance to such transfer.

(b) When the Secretary finds that land has been procured by the United States in sufficient quantity to afford an administerable unit, he shall declare the establishment of such national seashore by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may continue to acquire lands for the national seashore as authorized in this Act.

(c) The administration, protection, and development of national seashores pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 ed., secs. 1–4), as amended and supplemented, relating to the national park system, and in accordance with other laws of general application relating to that system as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., 1952 ed., Supp. V, sec. 1c), except that authority otherwise available to the Secretary of the Interior for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the establishment and preservation of the national seashore.

SEC. 4. There are authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

Mr. NEUBERGER. Mr. President, these unique and stirring areas are located in Lane, Douglas, and Lincoln Counties of our State. The Oregon Dunes consist of lofty and massive ramparts of sand, which tower above the sea. Behind the Dunes lie gemlike little lakes. Native grasses and evergreen trees add to the wild beauty of the location. Birds and wildlife abound. The sea-lion caves combine rocky grandeur with the rookeries of these clumsy but fascinating mammals, which inhabit tossing reaches of salt water.

MARVELS OF OREGON SEACOAST

Lest any of my colleagues think I exaggerate the marvels of Oregon's seacoast, let me read the words written by the noted author, Robert Carson, of Hollywood, Calif., in the February 1959 issue of Holiday magazine:

We had been told beforehand that the Oregon coast is the most beautiful in the world, and were prepared to resist; but after 2 or 3 days we were entirely conquered. Nothing in our experience compared to it, even the shores of the Mediterranean, Brittany, the Caribbean, the British Isles and Ireland, and the Pacific side of Central America. To a generation steeped in the wonders of Cinerama, and more inclined to look at Lawrence Welk, the region is a constant delight to the eyes. The unending and almost bewildering succession of sandy beaches, bold cliffs, towering forests, and clean little towns dressed for holidays, is incredibly pleasant. If one grows tired of sparkling water and the swell of bold mountains, it is easy to turn to fields covered with azaleas, rhododendrons, Canterbury bells, tiny white daisies, and yellow and blue lupine. Around Tillamook, fat cows ruminate in landscapes Constable might have painted, and in the cheese factory they make tasty yellow slabs of the Tillamook Cheddar, which is favorably regarded by connoisseurs. All along the fisherman is paramount, either on the beach or in rivers and streams, in search of salmon and steelhead. And clamming and crabbing rate high in popularity.

California's coast is nowhere near the equal of Oregon's, and the road decently turns inland shortly after the town of Eureka.

So, Mr. President, my purpose in coming before my colleagues today is to introduce a bill which will preserve in perpetuity, we trust, an extraordinary

and beautiful stretch of this great Oregon seacoast. I am fully mindful of the kind and helpful cooperation afforded by Members of the Senate and the House in helping us to enact, in 1958, the Fort Clatsop National Memorial bill which will safeguard a rich historic site where the intrepid explorers, Meriwether Lewis and William Clark, spent the winter of 1805–06 at the mouth of the Columbia River, after having made the original crossing by Americans of what is now the United States. I also appreciate President Eisenhower's signature which made that bill law.

BILL PRESERVES SCENIC GRANDEUR

That legislation was for historic purposes, Mr. President. The bill I am offering today is to preserve scenic grandeur and outdoor majesty. Despite Oregon's substantial area and its wealth of scenery, comparatively few areas of Oregon have been set aside for permanent safekeeping under the jurisdiction of our capable National Park Service, with its splendid traditions. We have the Crater Lake National Park, a place of unparalleled natural beauty, but relatively small among national parks—160,000 acres. We also have the Oregon Caves National Monument in southern Oregon—likewise small in area. It covers 480 acres.

I cite these facts, Mr. President, only to demonstrate that we of Oregon have not fared overly generously as national park reserves have been created during the past half century, despite the vast scenic potential within our State's boundaries. Thus, we are not imposing excessively on the Nation when we suggest that some 33,000 acres, along a seacoast of charm and grandeur, be set aside as a national seashore under our National Park Service.

Let me give to my friends of the Senate some specific details regarding the realm which we have in mind.

The Oregon Dunes National Seashore would include two units supervised and developed under National Park Service standards. The south unit of the seashore area would include about 32,800 acres between the mouth of the Siuslaw and Umpqua Rivers. The north unit, about 7½ miles north of the massive dunes, would include the famed sea lions caves and precipitous coastal bluffs within an area of 340 acres.

Actual boundaries of the Oregon Dunes National Seashore would be established by the Secretary of the Interior after survey studies have been completed. The area under consideration for the south unit would encompass about 23 miles of Oregon's seacoast where the ancient dunes and evergreen forest are located.

DUNES UNIQUE IN ENTIRE NATION

During the National Park Service survey of the Pacific coast shoreline, just completed, about 33,000 acres along the south central Oregon coast were found to constitute a region of scenic, scientific, and recreational values of exceptionally high caliber. A south unit of 32,830 acres and a north unit of 340 acres are recommended by the study group for a national recreation reserve. The south unit would contain 23 miles of seacoast with excellent beach. Farther back are massive dunes, ever moving. Some of the present dunes are beginning to overwhelm the coniferous forest which is growing on ancient dunes. Three lakes—130 to 3,200 acres—lie in depressions between dunes. The geology and ecology of the area, as well as its scenic qualities, are most impressive.

Seven and one-half miles to the north is the proposed north unit. It offers complete scenic, geologic, and biologic contrast to the south unit, being an area of precipitous coastal bluffs. Caves in the basaltic rock are inhabited by Steller and California sea lions, offering an unparalleled opportunity for observing these animals in their natural habitat.

About 15,000 privately owned acres of the south unit would have to be acquired; also 180 acres of privately owned land in the north unit. At present the caves are operated as a private commercial venture with the sea lions as the attraction. Total acquisition cost would probably run between $2 million and $3 million, but further economic studies are now in progress to firm up this estimate.

PARK DEVELOPMENT STIMULATES BUSINESS

Mr. President, it is well known that areas adjacent to national parks have benefited from park, memorial, and monument development. These units of the national park system have acted as magnets for the attraction of visitors to the area. In my opinion, the establishment of the Oregon Dunes national seashore area will stimulate the economy of the entire Oregon seacoast by providing visitors with improved facilities and recreational opportunities.

The National Park Service has an exceptional record of improving conservation practices in land areas acquired for park use. These policies, I am sure, will be applied to Oregon Dunes area so that erosion control problems will be intensified and cutover forest lands restored. Moreover, Mr. President, the Park Service has utilized a policy which results in a minimum of dislocation and inconvenience to summer home occupants in park areas. It is my understanding that when private land is acquired for park purposes, the Service works out an arrangement with summer-home owners so that they can retain use and occupancy of the property during their lifetimes. Where public land is acquired for inclusion in a park, the Service generally has recognized the tenure and conditions of leases granted to summer-home owners by other governmental units so that they are assured of occupancy during the unexpired balance of the lease period.

Mr. President, I ask consent to have printed in the RECORD with my remarks descriptive material on the Oregon Coast Sand Dunes as published by the Oregon Coast Association, and an article by Mrs. Ann Sullivan from the Portland Oregonian of March 15, 1959, describing the famed Sea Lion Caves which are adjacent to the Oregon Dunes. As I said earlier, Mr. President, the Atlantic seaboard is hard pressed to find seacoast areas suitable and available for inclusion in the national park system. This situation was reviewed recently in the New York Times, and I ask consent to include in the RECORD the New York Times article of March 12 entitled "Cape Cod Seen as 40-Mile National Seashore," and an editorial of March 15, entitled "Preserving Cape Cod."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OREGON COAST SAND DUNES

(Published by Oregon Coast Association, Tillamook, Oreg.)

SPECTACULAR SILENCE

The sand dunes on the Oregon coast are being acclaimed the finest display of this type of natural scenery to be found anywhere in the United States.

To stand upon any of the dunes heights and look over the wide expanse of ever drifting, never static, gray sand and view it in the brightness of a clear day, when the westering sun has highlighted the wind-rhythmed pattern of the insweeping dunes is more than a privilege, it is an inspirational opportunity. Here is taking place the silent drama of a radical change in this bit of the earth's surface, where there is being displayed the usual spectacle of an ancient sand dune area that had become stabilized, clothed with a forest, centuries before, now in the process of being overwhelmed and obliterated by a new invasion of drifting sand that is strikingly beautiful, even in its inexorable aggressiveness.

Geologists have told us that here the continental shelf is a sandstone formation that is slowly rising. The pounding seas disintegrate this sandstone and cast it upon the beaches only to be swept up by the winds and form the intricately patterned dunes that make this area famous.

Throughout the dune area, there is abundant evidence that beneath the sand drifts is a buried forest that existed for many years before the rising seashore had again set in motion the sands which have almost obliterated the trees that once covered this seaward slope. In support of this is the presence of several tree islands, ranging north and south along the slopes, and numerous dead trees, some standing, some down, that have been smothered beneath the sands and which, by some shift of the whimsical winds, have been exhumed in the windswept hollows and are now a mute evidence of the forest that once clothed these slopes.

In a broad overlook of the dune area there is, of course, a general sameness. In traversing their surface, sameness has vanished. Each ridge, each vantage point, opens up a new prospect and an impelling curiosity is always newly aroused to view in intimate detail what is hidden beyond, and there ever recurs the intriguing query of where and when these sands that so continually rise from the sea will stop.

Ancient dunes rise to an elevation of 550 feet, many new ones exceed 300 feet and are growing rapidly. Measurements have recorded increases in sand depths on some of the dunes from 3 to 5 feet in 8 years.

The smooth, straightway tidal beach that fronts the dune area is of good width and with an occasional stream coursing through. It is backed by a surf line that is often piled with logs and flotsam and jetsam of the mighty Pacific. Inside of this drift line is a strip that is splashed by the high waves and spray of storm periods where grow patches of bright-green sedgegrass and dwarfed trees and shrubs. Just beyond this green strip begins the rise of the dunes and the drifting sands start piling up the serried ridges that rise ever higher in their onward march to the wooded crests of the highlands.

Occasionally, green spruce treetops protrude from the sand for perhaps a third of

their height which, judging from the exposed portions, were trees probably 100 or more feet high, and no doubt between 150 and 200 years old. The exposed tops are in sand hollows, open on the uphill side, backed by a sand ridge that rises above them. There are also depressions, surrounded by dune ridges rising an estimated 100 feet above their depths, where grasses and shrubs are growing. In some the plots of green are only marshy places, others surround small, sedgy pools. Down the hollow a rivulet of water may flow for a short distance, then disappear beneath a high sandbank. Along its short course, the scattered down trunks and occasional stubs of the destroyed predune forest that has been uncovered either by a flow of water or a shift of the wind currents. Similar forest relics are noted in numerous windswept depressions, where the grasses and shrubs have newly established themselves.

All along the eastern edge of the dune area is a forest made up of Douglas-fir, Sitka spruce, western redcedar, western hemlock and lodgepole pine. This forest tends to delay but does not stop the inevitable advance of the drifting sands. Holland grass and native pine plantings will be noted at several points where sand threatens to cover the highway, some park, or water supply.

Forest undergrowth is comprised chiefly of rhododendron, evergreen huckleberry, wax myrtle, salal, salmon berry, and manzanita.

WHERE, WHEN, AND HOW

One may enter this geological wonderland at several points indicated on the accompanying map. Leave your car at the edge of the sand or along the highway.

When you reach the top of the first dunes, look back—select a tall tree as a landmark for returning to your point of entry.

These dunes are most enjoyable during May, June, September, and October.

To the uninitiated, walking over the dunes may be found somewhat tiresome, but they present no difficulties with good footwear. The ridges that slope smoothly to the northwest are generally quite firm and the walking is good. The steeper, opposite slopes, where the sands roll over the edges, are loose and yielding underfoot, but these are usually short pitches that are soon overcome.

Many people enjoy the dunes barefoot. Stick adhesive tape under the toes to prevent blistering.

If sand skiing should become a popular sport, the long slopes of these high dunes will present unexcelled opportunities for enjoying this pastime.

SUBLIME SHADOWS

Along the central Oregon coast from the Siuslaw River to Coos Bay and west of the Oregon coast highway, U.S. 101, lies a relatively unknown sand dune area of magnificent beauty and impressiveness.

These dunes attract some nature lovers who find fascinating beauty in viewing or tramping the gray aeolian sands that reach from the wooded highlands to the smooth straight-line beach in an alluring series of ridges and hollows that hold an impelling touch of scientific interest in the cause and future import of the long range, geologic and physiographic changes that have, and are now, slowly but surely taking place in the forced transformation of this portion of the Oregon coast from a living forest to a sand dune exquisite under the implacable influence of the slowly rising Continental Shelf.

Parts of the dune area, particularly just south of the lower Umpqua River, once attracted the attention of the National Park Service with plans for the creation of a national monument. This particular area is now a part of Oregon's State park system.

On the north side of the Umpaqua Lighthouse road, midway between the highway and the light tower, is a forest feature that is most unusual. Apparently a century or two ago, a violent wind uprooted a considerable area of exceptionally large trees, presumably Sitka spruce, which escaped being burned. For some unknown reason they did not dissolve into mold as fallen trees usually do but their huge trunks retained the bulky shapes of their living form. These fallen monarchs, judged by their great diameters, must have lived several hundred years before being destroyed. Growing over and astride of them, and rising above them, are new spruces that appear to be nearly 200 years old, making a remarkable exhibit of fallen and living trees that represent, in two generations of trees, a visible forest cycle of 500 or 600 years.

Individual trees growing over occasional fallen ones are not uncommon in the rain forests of the Northwest, but no similar area has come to the attention of the writer in this wide range of like forest where practically all of a considerable area of large trees have survived utter dissolution over such a long period of time as is represented by the living trees that are here seen growing over the prostrate forms of such large specimens of their predecessors in kind. The circumstance is most unusual and worthy of note.

[From the Oregonian, Portland, Oreg., Mar. 15, 1959]

ONLY KNOWN MAINLAND ROOKERY AN OREGON TOURIST ATTRACTION

(By Ann Sullivan)

A famed Oregon tourist attraction, the Sea Lion Caves just north of Florence, has been suggested to the Oregon State Highway Department as a part of the State park system. The commission has ordered a survey of the facility.

It has been available to the public only since the last part of 1932. Before that, it was almost inaccessible at the base of a 320-foot-high ocean cliff. During that year three families constructed a series of paths, switchbacks and steps down to the higher north entrance of the cave. One of the original families dropped out, and another took its place. Since that time the Sea Lion Caves has remained in the control of the three families, who maintain a pleasant and efficient commercial establishment there. The three operators are Clifton Saubert, Jack Jacobson and Don Houghton. Although not particularly interested in selling their operation, they would be glad to listen if the State is interested in it as a self-sustaining park.

Discoverer of the unique cavern, believed to be the only mainland sea lion rookery known, was Capt. William Cox, a Nova Scotia sealer who left his schooner, Sapphire, one calm day in 1880 and rowed into the cave in a skiff.

Residents of the area had long known of the cave's existence, but it was a perilous journey to get down to it. Clifton Saubert, one of the present owners, reports that when he was 12 years old, his father and he went down the cliff on ropes.

Inaccessibility of the cavern probably accounts for the fact that the sea lions have used it for so many years. The three families wisely limit entrance by the public to the higher of three tunnels, and a sturdy fence prevents their going down into the big cavern proper, which covers two acres.

A clutter of huge rocks, splashed by waves at almost all tides, makes attractive resting places for the big 2,000-pound bulls and their harems of cows and pups. The largest entrance to the cave on its west side is the one most often used by the animals. It cannot be seen by the public. A smaller 1,500-foot tunnel, which is full of water at high tide, stretches south from the cave, but is rarely used by the animals.

The three families own approximately 72 acres of the bluff. They have a gift shop and rest rooms and restaurant concession in a sizable white building on the highway. Location is 12 miles north of Florence, 39 south of Newport.

They are at present at work boring an elevator tunnel from near this building straight down to connect to the west entrance.

The sea lions are not always in the cave, but can usually be seen in good weather sunning themselves by the hundreds on rocky ledges on either side of the point. These are the Stellar sea lions, or hair seals (Eumetopias jubata) and are much larger than the California black sea lions, Zalophus californianus. A few of the latter are in this herd.

Wildlife lovers disagree with fishermen on value of the animals. Fishermen maintain they destroy much too many valuable fish and wreak great havoc when they get into the nets. Saubert says they usually eat more slow-moving fish such as sand sharks and skates.

[From the New York Times, Mar. 15, 1959]

PRESERVING CAPE COD

There is much that is meritorious in the proposal of the National Park Service that the Atlantic Ocean front of Cape Cod be turned into a "national seashore," a permanent noncommercial area designed as a national park. It would cost several million dollars to acquire all the privately owned property on this 40-mile stretch of beach, but it could well be a national investment worth many times its expense.

When we think of conservation and parks we usually think of woodland and mountain. That is natural, and what has been done has won the approval of most thinking persons. Our country and our society are richer for what has been wisely preserved. We are justifiably proud of our Yellowstone and Yosemite.

But on a much more modest scale, it may be possible to keep in its integrity some other area that has a unique esthetic and historical value. We shall be poorer, indeed, if this Atlantic shoreline is gradually inundated, not by the waters of the sea, but by the march of commercial establishments which, however justifiable in themselves, can do damage to an artistic whole that is and should be a part of our national cultural inheritance.

Cape Cod is unusual in many ways. It can continue so to be, if it is not reduced to some sort of lowest common denominator in our culture pattern. It can be an unusual national monument if we have the right sort of imagination at the right time.

[From the New York Times, Mar. 12, 1959]

CAPE COD SEEN AS 40-MILE NATIONAL SEASHORE—PARK SERVICE FEARS BEACH IS VANISHING UNDER BUILDING

(By Richard E. Mooney)

WASHINGTON, March 11.—The National Park Service has proposed that the Federal Government rescue the outer arm of Cape Cod from the march of commercialization by creating a national seashore along the entire Atlantic Ocean front.

The proposal was published today by the Department of the Interior, with a statement that the Department had neither approved nor disapproved. Conrad L. Wirth, director of the Park Service, estimated that it might cost $16 million to acquire the land.

Stating the case for rescue, the report said:

"Even now the still-unspoiled great beach is vanishing under building. It is time to set aside, preserve and protect the last of the old cape so that the inspiration of its surpassing beauty can be kept intact and handed down to future generations of Americans."

THOREAU NAMED BEACH

The report was lyrical in its recitation of the cape's historic, scenic, recreational, and scientific values. It cited Henry David Thoreau as author of the name Great Beach, and of these words about it: "A man may stand there and put all America behind him."

The proposed national seashore would encompass 28,645 acres, stretching from Provincetown at the end of the cape to the tip of Nauset Beach at the elbow—a distance of about 40 miles. For the most part, the seashore would be a strip along the Atlantic side of the cape, averaging a mile in width. At its mid-point and at Provincetown, it would extend across the cape to Cape Cod Bay.

Almost 18,000 of the acres are privately owned; 7,000 State owned (including 20 ponds totaling 70 acres); 1,000 are owned by towns, and 2,500 are owned by the Department of Defense.

A national seashore is essentially the same thing as a national park, with beach. There is only one other, Cape Hatteras. It was authorized by Congress in 1937. Its cost—less than $2 million—was financed almost entirely by State and private contributions. An act of Congress also would be necessary for the Cape Cod seashore.

OUTGROWTH OF 1955 STUDY

The Cape Cod proposal is an outgrowth of the Park Service's mile-by-mile study of the Atlantic and Gulf coasts, "Our Vanishing Shoreline," published 4 years ago. That study described 54 undeveloped seashore areas worthy of local, State, or Federal preservation, and stressed 3 for Federal attention—Padre Island, Tex.; Cumberland Island, Ga., and Cape Cod.

In the thirties the Park Service proposed the creation of national seashores in 12 places. One of them was Cape Hatteras. In the words of a Park Service official, "the rest have vanished."

The vanishing shoreline study and the more detailed Cape Cod study that followed it were financed by an unidentified friend of the National Park Service.

Today's report noted among other things, that "nowhere on the continent is the story of glacial deposition, combined with the violent action of the sea upon a land mass, so vividly illustrated as on Cape Cod."

Mr. NEUBERGER. Mr. President, I also think there should appear with my remarks a comprehensive article about the Oregon Dunes from the Oregonian of Portland of March 22, 1959, written by John Armstrong, Sunday editor of that newspaper. Mr. Armstrong's article describes in detail the unique and scenic beauty which would become part of the national seashore reserve which we have in mind, as part of the national park system of the United States. I would like to call attention to the fact that William M. Tugman, editor of the Port Umpqua Courier, is quoted in Mr. Armstrong's article as describing some of the dunes as among "the tallest in the world." This affords an idea of the remarkable qualities of this seacoast which we seek to protect and preserve.

I also ask unanimous consent that there appear in the RECORD an Associated Press article from San Francisco, which likewise was published in the Oregonian of March 22. This article summarizes a report of the National Park Service which describes as "worthy of national park status" the Sea Lion Caves and Oregon Dunes along the southern Oregon coast.

The Oregonian of March 22 published an editorial entitled "State or Federal Park?" This editorial cites the fact that some members of the Oregon Legislature would like to have the Sea Lion Caves made a State park. I have no quarrel with this whatsoever, and I think these members of the Oregon Legislature are to be commended for their position. My main purpose is to safeguard the Oregon Dunes, and I think it would be logical that the nearby Sea Lion Caves could well come under national park custodianship at the same time. For example, the headquarters of the Oregon Dunes Seashore Park would certainly have biologists and wildlife experts competent enough to exercise supervision over the Sea Lion Caves, which are so closely related geographically. But I do not intend to be adamant about this, and if the Oregon State Legislature would prefer that the Sea Lion Caves be a State park and the Oregon Dunes a national seashore park, that separation is certainly agreeable with me. I merely have thought that National Park Service custodianship might be logical for both places, particularly because they are definitely linked together in the Pacific coast report of the National Park Service, which was released by Park Service regional offices in San Francisco on March 22.

I wish it were possible to reproduce in the pages of the CONGRESSIONAL RECORD the magnificent page of photographs of the Oregon Dunes which was published in the Oregonian of March 22. These pictures make strictly evident the magnificence and grandeur of the area which we seek to protect for countless future generations. I also ask unanimous consent that the master caption, which was published with the outstanding photographs taken by John Armstrong of the Oregonian, be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OR FEDERAL PARK?

Two proposals are in the works for public acquisition of Oregon's famed Sea Lion Caves and the concession on Highway No. 101, now owned by a private firm, which guards the rookery. One is for State ownership, the other for Federal.

Senate joint resolution No. 31, introduced in the Oregon Legislature by Senator Monroe Sweetland and six "U.S. 101 senators," would direct the State highway commission to consider acquisition and development of the sea lion rookery as a feature of the park system of this State.

U.S. Senator RICHARD L. NEUBERGER is preparing legislation to convert Sea Lion Caves and 33,000 acres of sand dunes in Lane and Douglas Counties into a national park which would be the first on the Oregon coast.

Assuming the private owners wish to sell their property providing access to Sea Lion Caves at a fair price, this great tourist attraction could presumably be a self-sustaining venture under either State or Federal sponsorship. The Oregon Legislature should have the determining voice in this after a thorough study of the alternatives. Our own preference is for State acquisition and operation unless there are disadvantages now unknown.

Unlike the States on the Atlantic seaboard, Oregon has reserved its beaches for the public benefit. It has other State parks on the coast. Sea Lion Caves and Oregon Dunes would be valuable additions to these facilities and increase Oregon's stature as a State of many parks and public playgrounds.

PARK SERVICE FAVORS DEAL FOR CAVES, OREGON DUNES

SAN FRANCISCO.—The National Park Service, reporting Saturday on a year-long survey of public seashore needs on the Pacific coast, recommended preserving "the few remaining undeveloped seashore areas still in the pure wilderness or primitive state."

Secretary of the Interior Fred A. Seaton said the recommendations still are being reviewed.

The Pacific coast survey, made by Park Service teams, was intended "to inventory * * * important remaining undeveloped areas * * * along the Pacific coast."

POINT REYES INCLUDED

Five areas considered worthy of national park status are Cape Flattery, in northern Washington; Sea Lion Caves and Oregon Dunes, in southern Oregon; Point Reyes Peninsula, in north-central California; and San Miguel Island and Santa Cruz Island, both off southern California.

Congressional action would be required to give them national park status.

Two areas considered outstanding State park caliber were Point Brown, in south-central Washington, and Leadbetter Point, in southern Washington.

FEW FIT PATTERN

The survey report commented:

"Although the Pacific coast has many remaining undeveloped seashore areas * * * relatively few still are in the pure wilderness or primitive state, where man has not altered the general landscape to varying degree with roads, grazing, timber harvest, or other man-inflicted modifications.

"Broad-scale planning should provide for all possible consideration and protection of these great and valuable seashore areas.

"Further, the intense competition for use of the seashore in general makes it imperative that such planning recognize as a major consideration the recreation, scientific, and esthetic values connected with the natural resources of the Pacific coast, thus insuring optimum benefit and enjoyment to present and future generations."

OTHERS STUDIED EARLIER

The Pacific coast survey was similar to recreational studies of the Atlantic and gulf coasts completed by the Park Service in 1955.

The survey covered 1,700 miles of shoreline from Mexico to Canada and the Channel Islands off southern California.

The Park Service's specific recommendations included:

The Channel Islands collectively constitute the greatest single remaining opportunity for conservation and preservation of representative seashore values, including areas of interest to biology, geology, history, archaeology and paleontology, and wilderness preservation. Careful consideration should be given to any future opportunity to acquire or preserve for public purposes any or all of the group off southern California.

MILITARY HOLDS KEYS

A large segment of the Pacific coast, with high recreation and biologic values, is now under military jurisdiction. Consistent with military needs, the agencies responsible for the administration of these lands may become surplus to military requirements. If natural or recreation qualities then warrant, they should be retained in public ownership at the appropriate level of government.

There is a definite need for local authorities, whether city, county or regional, to take the initiative in acquiring and administering

seashore recreation areas of local significance.

There is a definite need for more small-craft harbors along the Pacific coast and it is important to the welfare of the public that this need be considered.

SLANT DRILLING EMPLOYED

Some local governments are successfully concluding agreements enacting legislation to keep certain industrial developments off the immediate shoreline and beaches. Prime examples are setbacks of powerplants near the shoreline, and of oilwells by use of slant drilling for tideland petroleum. Thus, additional seashore is left available for recreation without undue sacrifice to industries. More of this type of cooperation should be encouraged.

One of the most pressing problems associated with the waters of the Pacific seashore is abatement of pollution. The importance of the biologic and recreation aspects of the coastal waters, both fresh and salt, makes it mandatory that sewage and industrial waste disposal be further controlled and restricted to adequately protect and conserve such values. The future of sport fishing, coastal and aquatic recreation, coastal waterfowl abundance, and commercial fishing may well depend on prompt action being taken on this problem.

TOWERING SAND DUNES OF OREGON COAST AREA SWALLOW LAKES, VEGETATION ON MOVE INLAND

(By John Armstrong)

The towering, moving sand dunes which may become Oregon's—and the Pacific coast's—first national seashore recreation area are a problem.

They won't stand still.

Year in and year out they have been moving inland, smothering and blotting out vegetation, swallowing up warm water lakes and encroaching on U.S. highway 101, the Oregon coast's main artery.

The dunes may move eastward as much as 60 feet during a single storm, covering everything in their way, according to Wilbur Ternyik, formerly of the Soil Conservation Service, and now Florence nurseryman, whose main interest is stopping the dune movement.

SHRUBS, TREES PLANTED

Ternyik contracts to plant grass, shrubs, and trees on various troublesome areas in the dunes in an effort to stabilize them. The conservation program is a cooperative venture participated in by the Forest Service, Soil Conservation Service, Bureau of Land Management, and Lane County.

Most of the planting is done during the period mid-October until April, with up to 50 people employed in the planting. In some spots, clumps of European beachgrass, three plants to a clump, are planted 12 inches deep, 18 inches apart. Planting times are carefully planned, for the temperature must remain below 60° for 72 hours following planting to insure germination.

PLAN FOUND SUCCESSFUL

Under such conditions the grass will multiply threefold within a year, at which time it will be supplemented with woody species, shore pine with scotch broom as a protective crop.

The planting program, while not as extensive as it should be due to limited appropriations, has been relatively successful, according to Ternyik. A little over 100 acres were planted this winter, with possibly another 60 to be planted this spring and 300 acres more next fall.

Two emergency plantings have been made, under contract to the State, to stop dunes from moving across Highway 101.

U.S. HELP WANTED

Though man has gained control of the dunes in spots, they continue to move in others. Little Bear Lake, one of the sparkling warm water lakes of the dune area, seems destined to be blotted up; Cleawox Lake, major attraction of Honeyman State Park, may be cut in half, its outlet stopped up and the park flooded.

Some interested parties, including Lane County Commissioner Bob Petersen, feel that the conservation job can best be done by the Federal Government and give this as one reason for supporting Senator NEUBERGER's proposal to have the National Park Serice take over the area.

NEUBERGER's proposed bill, now being drafted by the National Park Service, would authorize creation of a 33,140-acre national seashore recreation area in two segments—32,800 acres lying between the mouths of the Siuslaw and Umpqua Rivers and 340 acres surrounding and including the Sea Lion Caves, north of Florence.

Most of the dunes area, west of highway 101, now belongs to the U.S. Forest Service. Between $2 and $3 million would be spent to acquire private lands around Siltcoos and Woahink Lakes and at the Sea Lion Caves.

FLORENCE AREA EXCITED

A Friday news story announcing the proposed bill created considerable excitement and some controversy in the Florence area. Opinion on the proposal is fairly evenly divided, according to Dave Holman, editor of the Florence News Advertiser.

Florence Mayor A. E. Davidson is reserving his opinion until there is more to go on.

The Siuslaw Port Commission is unanimously opposed to the proposed recreation area.

Petersen, speaking for the county court, stated that in general it seems a good idea, though there may be some details of the plan with which the court would take exception.

In the Florence area, unfavorable opinion seems to center around uncertainty as to: (1) What would happen to privately owned homes in the proposed recreation area; (2) what would happen to private businesses along the highway and around the lakes in the area, and (3) whether the stores of fresh water in the dunes would be available for industrial purposes.

In Reedsport, opinion seems to favor the establishment of the recreation area. Mayor Jack Unger said, "On the face of it, it seems to be a worthwhile project."

The Reedsport Chamber of Commerce has sent Senator NEUBERGER a telegram encouraging his efforts and expressing appreciation of his interest.

DETAILS GIVEN

Editor William Tugman, of the Umpqua Courier, said Saturday that "personally I am inclined to think it is a fine idea. I'd like to see the area extended south of the Umpqua to include some of the dunes there, which I understand are some of the tallest in the world."

Senator NEUBERGER Saturday gave the Oregonian more details of his plan.

"As a member of the Public Land Subcommittee of the Senate Interior Committee, which controls all national parks and monuments, I have long felt that Oregon has fared very poorly as regards location of national parks and monuments, compared with Washington and California," NEUBERGER said. He pointed out that Oregon has only two, Crater Lake and the Oregon Caves, and they are very small.

A Pacific coast recreation area survey released this week by the National Park Service describes the 23 miles of dunes lying between Florence and Reedsport as possessing many superlative values of such high importance as to warrant permanent preservation for the Nation as a whole.

PROCEDURE SET

Familiar with area and the report, NEUBERGER said he had asked the Park Service to draft legislation authorizing setting it aside as a national seashore recreation area, the third in the Nation, and first on the west coast. Similar areas are located at Cape Hatteras and Cape Cod on the east coast.

A national seashore recreation area is similar to a national park, but its hunting restrictions are not as rigid, NEUBERGER said.

If the Oregon coastal area is taken over by the Park Service, the following things would happen, according to NEUBERGER:

1. Private lands, homes, and businesses would be purchased by the Government, at a negotiated price, or if necessary, a condemnation price.

2. Owners of private homes or summer homes purchased by the Government would be permitted to live in and use them for the rest of their lives or duration of their leases, paying rent to the Government.

3. Owners of private businesses, such as resorts, fishing camps, restaurants, would have to negotiate with the Government for concessions. Some probably would be permitted to operate; some, not.

TOURISM SAID INCREASED

4. The Park Service would continue and no doubt accelerate conservation programs now underway in the area, to include dune planting and protection of wildlife and natural beauty.

5. Logging and lumbering would be prohibited.

6. The Park Service would build a headquarters with rangers, naturalists, historians, biologists as is done in every major national park.

7. Fresh water in the dune area probably would be available for domestic consumption, but not for commercial exploitation or industrial purposes.

8. There would be some Park Service regulations of hunting, but the only restrictions on fishing would be those set up by the State of Oregon.

"Wherever a national park or national seashore recreation area has been created, it has increased tourism from one to four times," NEUBERGER emphasized. "I don't know of any area that has not profited and been happy with National Park Service developments."

NEUBERGER said he was aware of the proposal to make Sea Lion Caves a State park, but he said he felt that the Federal Government would be in a position to spend more money and to give it more national attention.

Hearings on the bill to authorize the recreation area probably will be held in Washington in May or June, the Senator said. If authorized, appropriations will be dependent on future congressional action.

THRILL-SEEKING BEACH RESIDENTS ENJOY RACING ACROSS DUNES

The great Oregon sand dunes, which stretch for miles along the Pacific Ocean south of Florence, are to most Oregonians as remote and mysterious as the sands of the Sahara.

Motorists can catch glimpses of them from U.S. Highway 101. Their existence is known to many thousands of visitors who are attracted annually to the area's outstanding parks—the 522-acre Honeyman Park, pride of the State system, and three forest camps—and to the warm water lakes with strange sounding names—Woahink, Cleawox, Siltcoos and Tahkenitch.

But only a few of the more hardy visitors venture afoot into the dune area, and then not far.

To residents of the Florence area, the dunes are another story. They're a favorite spot for a Sunday afternoon drive—an unusual type of Sunday afternoon drive.

The natives like nothing better than to race merrily over the dunes in a ride that

offers more ups and downs, tight turns and thrills than the Jantzen Beach roller coaster.

The big thrill is getting up enough speed to launch a jeep into space off the top of one of the more precipitous dunes.

This is not a drive to be recommended to the average motorist. First, it requires a special-type of vehicle—a jeep, beach buggy, or truck outfitted with oversize tires. Second, it takes a special kind of driving skill known only to the natives of the area. Third, treacherous areas of quicksand are a driving hazard.

Aside from this, a driver unfamiliar with the dune area is apt to tear up some of the vital areas of beach grass, planted to prevent the shoreward march of the moving hills of sand, which extend over a mile inland in spots.

Attention of the State was focused on the dune area this week when Senator RICHARD L. NEUBERGER announced he will introduce a bill in Congress to make a national seashore recreation area of the dunes and the Sea Lion Caves north of Florence.

ALASKA OMNIBUS ACT

Mr. MURRAY. Mr. President, as chairman of the Committee on Interior and Insular Affairs which had initial responsibility in the Senate for legislation for Alaska statehood, I introduce, for appropriate reference, a bill to amend certain laws of the United States with respect to the former Territory of Alaska, now the great State of Alaska. Joining me as cosponsors of this measure are the distinguished ranking majority member of the Committee, the Senator from New Mexico [Mr. ANDERSON], the chairman of the Subcommittee on Territories, the Senator from Washington [Mr. JACKSON], the ranking minority member of the Territories Subcommittee, the Senator from California [Mr. KUCHEL], the able Senator from Arizona [Mr. GOLDWATER], who is a very conscientious member of the Territories Subcommittee, and the distinguished Senator from Wyoming [Mr. O'MAHONEY] who was chairman of the Committee on Interior and Insular Affairs in the 81st Congress when the first bill for statehood for Alaska was reported to the Senate in 1950.

The bill I am introducing, is the so-called Alaska Omnibus Act. It is designed to make those changes in Federal laws which have become necessary and desirable because of the change in Alaska's status from a great Territory to a great State of the United States. Much of the proposed legislation is technical, such as the elimination of inappropriate reference to the "Territory of Alaska" in Federal statutes.

Other provisions are substantive, such as the termination of certain special Federal programs in Alaska, and enabling our newest State to participate in other programs on "an equal footing with the other States in all respects whatever."

Mr. President, this bill was drafted by the executive agencies concerned with the administration of Federal responsibilities in Alaska. I ask unanimous consent that a sectional analysis of the measure, as submitted by the Bureau of the Budget, appear at the conclusion of my remarks, as well as the letter of transmittal from Director Stans of the Bureau.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The bill will be received and appropriately referred; and, without objection, the section-by-section analysis and letter of transmittal will be printed in the RECORD.

The bill (S. 1541) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The section-by-section analysis and letter of transmittal presented by Mr. MURRAY are as follows:

SECTIONAL ANALYSIS

SHORT TITLE

Section 1 provides that the act may be cited as the Alaska Omnibus Act.

FEDERAL JURISDICTION

Section 2 would amend section 4 of the Statehood Act. Section 4 now provides, in pertinent part, that Alaska and its people disclaim any right (a) to any lands in Alaska the right or title to which is now held by the United States, except for land granted to Alaska by the Statehood Act, and (b) to land and property held by Alaska natives or held in trust by the United States for such natives. The section further provides that "all such lands * * * shall be and remain under the absolute jurisdiction and control of the United States." It was intended that such absolute jurisdiction would apply to native lands only ((b) above), but the language actually enacted appears to comprehend the lands described in both (a) and (b). The amendment would make clear that "the absolute jurisdiction and control of the United States" does not apply generally to land held by the United States in Alaska, but only to land and property held by natives or by the United States in trust for natives.

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

Section 3 provides a date on which certain laws enacted by the Congress, relating to the regulation of commerce within Alaska, shall cease to apply to the State of Alaska. Section 8(d) of the Statehood Act provides that a law "enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Alaska prior to the admission of the State of Alaska into the Union" shall be regarded as a "Territorial law" and that such a law shall continue in force and effect throughout the State except as modified or changed by action of the State legislature. The foregoing language has been interpreted by the executive branch of the Federal Government as continuing in effect in the State of Alaska those portions of U.S. laws which provide for the regulation of intraterritorial commerce by agencies of the United States. In the language of section 8(d), such laws will continue in effect "except * * * as modified or changed by the legislature of the State." In order to make explicit the date such laws of the United States shall cease to be applicable, this section of the bill provides that, either (a) on July 1, 1961, or, if it occurs earlier, (b) on the effective date of any State law relating to the same subject matter as the pertinent law of the United States, such law of the United States shall cease to apply. In the absence of an explicit date, considerable confusion might arise as to the continued responsibility of a Federal agency. The section makes clear that such Federal responsibility will cease whenever the State takes legislative action in a field formerly regulated by the United States.

SUGAR ACT

Section 4 amends the Sugar Act by providing a definition of the term "continental United States." In the absence of such a definition, the term has been administratively construed to exclude the Territory of Alaska. The new subsection would make clear that it includes the 49 States and the District of Columbia. As a result, the determinations by the Secretary of Agriculture concerning sugar requirements in the continental United States will henceforth include the requirements of Alaska. Thus, sugar either imported or marketed for shipment into Alaska will be charged against a quota.

SOIL BANK ACT

Section 5 would perpetuate in the State of Alaska the treatment accorded to the Territory of Alaska under the conservation reserve program of the Soil Bank Act. The act has no practical application to Alaska at this time and is not now being administered there. This condition is likely to continue for the foreseeable future. Consequently, the amended provision concerning the geographical application of the program would make clear that the conservation reserve program of the Soil Bank Act applies to Alaska only if the Secretary of Agriculture determines that such application would be in the national interest.

ARMED FORCES

Section 6 would provide in subsection (a) a perfecting amendment to Title 10 of the United States Code by amending the definition of the term "Territory" to delete the existing reference to Alaska. Subsection (b) would amend two definitions in Article 2 of the Uniform Code of Military Justice which describe persons subject to the code. Under the definitions in existing law, "persons serving with, employed by, or accompanying the Armed Forces" and "persons within an area leased by or otherwise reserved or acquired for the use of the United States" are subject to the code if they are outside that part of Alaska east of longitude 172 degrees west, the Canal Zone, Hawaii, Puerto Rico, the Virgin Islands, and Guam. The amendments in subsection (b) would have the effect of according the same treatment to such persons in Alaska west of the 172d meridian as is already accorded to those east of it. Subsection (c) strikes the special and now unnecessary reference to Alaska in a section which comprehends all of the States.

NATIONAL BANK ACT

Section 7 relates to the reserve balances required of national banks that are not members of the Federal Reserve System and that are located in Alaska or outside the continental United States. Because section 19 of the Alaska Statehood Act requires that all national banks in Alaska be members of the Federal Reserve System, secton 5192 of the Revised Statutes no longer has application to Alaska, and this section of the proposed bill would thus eliminate the reference to it.

FEDERAL RESERVE ACT

Section 8 provides two perfecting amendments to the Federal Reserve Act, to reflect Alaska's inclusion in the Federal Reserve System pursuant to section 19 of the Statehood Act.

HOME LOAN BANK BOARD

Section 9 would provide perfecting amendments to two statutes administered by the Federal Home Loan Bank Board. The Federal Home Loan Bank Act and the Home Owners' Loan Act of 1933 would each be amended by striking references to Alaska as a Territory.

NATIONAL HOUSING ACT

Section 10 provides amendments to the National Housing Act. The amendments would have the effect of perpetuating in the State of Alaska the treatment received by Alaska as a Territory.

COAST GUARD

Section 11 would amend the provision of law authorizing the appointment of commissioned officers of the Coast Guard as U.S. commissioners or U.S. deputy marshals in Alaska. The amendment is perfecting only and removes references to "the Territory of" Alaska.

SECURITIES AND EXCHANGE COMMISSION

Section 12 provides amendments to certain statutes administered by the Securities and Exchange Commission. Those contained in subsections (a) through (d) are perfecting only, merely removing unnecessary references to Alaska in definitions of the term "States." Subsection (e) would amend a section of the Investment Company Act of 1940 which provides an exemption from the provisions of the act to companies organized under the laws of the Territories and possessions which confine offerings of their securities to residents of such Territories or possessions. The effect of the amendment would be to remove Alaska from the areas (all of which are Territories and possessions) to which the special exemption applies, and to accord to it the same treatment as the other States receive.

SOIL CONSERVATION

Section 13 would amend two provisions of the Soil Conservation and Domestic Allotment Act. Section 8(b) of that act requires that, in the administration of the law "in the continental United States", the Secretary of Agriculture must use county committees, and that no committee may represent more than one county or parts of different counties. Heretofore the term "continental United States" has been administratively construed to exclude Alaska, with the result that in Alaska, three committees only are now in operation, each serving an area which includes more than one county or parts of different counties. With statehood, Alaska may now be regarded as within the continental United States. If so, adherence to section 8(b) would require the establishment of far more committees in Alaska than would be suitable for Alaska's relatively small program. Therefore, subsection (a) of this section of the bill would remove the requirement with respect to the areas represented by committees in the case of Alaska. Subsection (b) is a perfecting amendment, designed only to reflect Alaska's new status.

BALD EAGLES

Section 14 amends the statute providing protection to bald eagles. Existing law protects the bald eagle "within the United States or any place subject to the jurisdiction thereof, except the Territory of Alaska." Because the bald eagle is now virtually extinct except in Alaska, the protection afforded by the statute should apply to Alaska as well. The amendment contained in this section would achieve that result.

WILDLIFE RESTORATION

Section 15 would amend the statute providing grants to the States and Territories for wildlife restoration in order to remove references to the Territory of Alaska from the section relating to grants to the Territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

FISH RESTORATION

Section 16 would amend the statute providing grants to the States and Territories for fish restoration in order to remove references to the Territory of Alaska from the section relating to grants to the Territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

CRIMINAL CODE

Section 17 provides amendments to the Federal Youth Corrections Act and to a 1958 statute relating to parole, which, under the terms of existing law, apply "in the continental United States other than Alaska." When the U.S. District Court for the District of Alaska is established, pursuant to the Statehood Act, such laws should apply to the State. Subsection (c) provides that the application of the laws in question to Alaska will commence on that date.

EDUCATION

Section 18 provides certain amendments to the laws relating to education.

Subsection (a), relating to the National Defense Education Act of 1958, amends section 103(a), section 302(a)(3), and section 1008 of the act (20 U.S.C.A., secs. 403(a), 442(a)(3)(B), and 588), so as to eliminate the special treatment of Alaska. The amendment to section 302(a)(3) would eliminate the exclusion of Alaska from the continental United States for purposes of determining the allocation of funds to States for acquisition of mathmatics, science, or modern foreign-language equipment. The amendments to sections 103(a) and 1008 would put Alaska on the same basis as the other States for purposes of allocations of funds for the acquisition of such equipment, allocations of funds for State programs of expansion or improvement of public-school supervisory services in mathematics, science, or modern foreign language, and allocations of funds for counseling and guidance and testing programs.

Under section 43, these amendments would be effective in the case of allotments for acquisition of equipment based on allotment ratios which are promulgated after per capita income data for Alaska for a full year are available from the Department of Commerce. They would be effective in the case of allotments for State programs of expansion or improvement of supervisory services, or for counseling and guidance and testing programs, for fiscal years beginning July 1, 1959.

Subsection (b), in paragraph (1), relating to vocational education, amends section 4 of the Smith-Hughes vocational education law. This section provides for allotments to the States for teacher-training in agriculture, trades, and industries, and home economics, and includes an authorization of separate appropriations for the $10,000 minimum allotment provided for the States for this purpose. The $90,000 authorized for the latter purpose would be insufficient to provide the minimum for Alaska as well as the other States, and hence it would be increased by the bill to $98,500.

In order to qualify for funds allocated under this law for vocational education in the field of agriculture, trades and industries, or home economics, a State must "have taken advantage of" an amount at least equal to the minimum allotment for teacher-training in that field. In addition, the law requires at least 20 percent of a State's allotment for teacher-training to be expended in each of the three fields and places a limitation of 60 percent of the teacher-training allotment on the amount which may be expended in any one of the three fields. These requirements and limitations would be made inapplicable to Alaska until the third fiscal year which begins after the enactment of the bill. Similar treatment was accorded the other States when the law was first enacted at which time they were given a 3-year grace period during which these provisions were not applicable.

Subsection (b), in paragraphs (2) and (3), also amends the Vocational Education Act of 1946 to eliminate from the definitions of "State" and "States and Territories," the specific mention of Alaska. These are purely technical amendments.

Subsection (c), relating to school construction assistance in federally affected areas, amends paragraph (13) of section 15 of Public Law 815 (81st Congress), as amended (20 U.S.C.A., sec. 645(13)), which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

Subsection (d), relating to school operation assistance in federally affected areas, amends section 3(d) of Public Law 874 (81st Congress), as amended (20 U.S.C.A., sec. 238(d)). This section of the law sets forth the method of determining the local contribution rate used in computing the amount of the payments to local school districts on account of federally connected children attending their schools. The determination of the rate for the Territories, including Alaska, is, however, separately provided for, with the Commissioner of Education authorized to make the determination consistent with the policies and principles provided for the determination of the rate in the case of school districts in other States.

The amendments to this section of the law would eliminate the specific mention of Alaska as one of the "States" to whom the specific provision applies, but would make the special provision applicable to any State in which a substantial portion of the land is in unorganized territory for which a State agency is the local educational agency. This would include Alaska at the present time and probably for the next 15 or 20 years. It might conceivably include also other States, although this is not likely. Consequently, the amendments will not have any practical effect upon Alaska in the foreseeable future. These amendments would also specifically include Alaska in the continental United States for purposes of determining the average per pupil expenditure therein, which is used, in turn, in determining the minimum local contribution rate.

These amendments would, under section 43, be applicable beginning with the next fiscal year.

Subsection (d)(4) of section 18 of the bill also amends paragraph (8) of section 9 of Public Law 874 which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

IMPORTATION OF MILK AND CREAM

Section 19 would make clear that the act of February 15, 1927, which regulates the importation of milk and cream into the "continental United States," applies to Alaska.

OPIUM POPPY CONTROL

Section 20 would provide a perfecting amendment to the Opium Poppy Control Act of 1942. It would strike a now superfluous reference to the Territory of Alaska.

HIGHWAYS

Section 21 would provide for the assumption by the State of Alaska of the functions now performed by the other States in connection with the construction and maintenance of roads. It would direct the Secretary of Commerce to transfer to Alaska without compensation, but subject to conditions which he may deem desirable, all of the real and personal property now held by the Bureau of Public Roads in connection with its current responsibilities in Alaska, except for such property as the Bureau will require in continuing to perform in Alaska, as elsewhere in the States, its usual Federal functions and functions for which the State may contract under section 40(c), and except for lands which must be retained for purposes other than or in addition to road purposes. It is intended that the date of transfer be July 1, 1959, if practicable, or as soon thereafter as would be practicable. Henceforth Alaska will be responsible for road

maintenance, as it has not been in the past. However, Alaska would be able to utilize Federal-aid funds apportioned for the fiscal year ending June 30, 1960, and prior years, and unobligated on the date of passage of this act, for maintenance during fiscal years 1960, 1961, and 1962. To assist it in road construction, the section further provides for the extension to Alaska of the laws relating to Federal aid for highways on the same terms as are applicable to the other States. Citations within the section are keyed to Public Law 85–767, approved August 27, 1958.

INTERNAL REVENUE

Section 22 contains amendments to the Internal Revenue Code of 1954. All, except for that contained in subsection (b), are perfecting in nature, merely removing references to Alaska which are now superfluous. Subsection (b) relates to the definition of the phrase "continental United States" for purposes of the transportation tax. The explicit terms of existing law (i.e., the "continental United States" means "the existing 48 States and the District of Columbia"), excluded the Territory of Alaska, with the result that a partial exemption from the tax was permitted for trips between the Territory of Alaska and the States. The effect of the amendment contained in subsection (b) will be to accord to Alaska, as a State, the same treatment it received as a Territory, and thus to preserve a distinction between Alaska and the other States. The Treasury Department has concluded that it would be contrary to the intent of the Congress, as expressed in 1956, to remove this partial exemption. The exemption was inserted in the law in 1956 in recognition of the fact that Alaska (and Hawaii) were far removed from the States and that transportation between the States and those two Territories involved travel over the high seas and/or a foreign country. When the exemption amendment was considered in the Senate, the possible effect of future statehood was discussed in a memorandum submitted by Senator MORSE (Cong. Rec., March 29, 1956, p. 5212). His statement asserted that statehood should not change the exemption. On this basis, the Treasury Department considers that the partial exemption continues, notwithstanding Alaska's admission to the Union. Enactment of subsection (b) would confirm that conclusion.

COURTS

Section 23, in subsection (a), amends the Judicial Code so that the Court of Appeals for the Ninth Circuit will be required to hold sessions in Anchorage annually. That court is now by law required to hold sessions each year in San Francisco, Los Angeles, Portland, and Seattle. Subsection (b) amends the Judicial Code to provide that the Federal District Court for the District of Alaska shall be held in Ketchikan. Subsection (c) would perpetuate the authority of the Attorney General to fix fees and allowances for witnesses in connection with the Federal court in Alaska. Current fees and allowances, established pursuant to 48 U.S.C., section 25, are set forth at 28 CFR 21.3. Fees and allowances for witnesses in Federal courts, excluding Alaska, are set forth at 28 U.S.C., section 1821. Under the provision of subsection (c) of this section of the bill, Alaska would continue to be excluded from section 1821 of title 28. Subsection (d), in effect, provides for the transfer to the State of moneys, derived from court fees and fines, held by the clerks of the district court of Territory.

VOCATIONAL REHABILITATION ACT

Section 24 relates to vocational rehabilitation.

Subsection (a) amends section 11(g) of the Vocational Rehabilitation Act. This section of the act defines the term "State." The amendment would eliminate the specific reference to Alaska and is a technical amendment.

Subsection (b) amends subsections (h) and (i) of section 11 of the Vocational Rehabilitation Act. These subsections define the terms "allotment percentage" and "Federal share." The amendments would eliminate the special provisions under which the allotment percentage for Alaska is set at 75 percent and the Federal share at 60 percent, and would provide for the determination of these to be made in accordance with the relative per capita income of Alaska, as is done in the case of other States. The amendments would also eliminate the exclusion of Alaska from the continental United States for purposes of determining the allotment percentages and Federal shares for the States. Under section 43 of this bill, the above amendments would be applicable to allotment percentages and Federal shares promulgated after there are available per capita income data for Alaska for a full year from the Department of Commerce, and following a short transition period.

GOLD RESERVE ACT

Section 25 would remove a now obsolete reference to the Territory of Alaska contained in the Gold Reserve Act of 1934.

SILVER PURCHASE ACT

Section 26 would remove a now obsolete reference to the Territory of Alaska contained in the Silver Purchase Act of 1934.

NATIONAL GUARD

Section 27 would provide a perfecting amendment to the definition of "Territory" for purposes of title 32 of the United States Code, relating to the National Guard.

WATER POLLUTION CONTROL ACT

Section 28 provides certain amendments to the Water Pollution Control Act.

Subsection (a) of this section amends section 5(h)(1) of the Federal Water Pollution Control Act. This section defines the term "Federal share" which is used for determining the portion of the cost of the water-pollution control program in each State which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definition, no longer be excluded from the continental United States and would have its Federal share determined, as in the case of the other States, on the basis of its relative per capita income.

Under section 43, these amendments would be effective for promulgations of the Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b) of this section of the bill amends section 11(d) of the Federal Water Pollution Control Act, which defines "State," to eliminate the special mention of Alaska. This is a purely technical amendment.

VETERANS' ADMINISTRATION

Section 29(a) relates to the authority of the Veterans' Administration under section 903(b) of title 38 (Public Law 85–857), to transport the bodies of veterans who have died in VA facilities. Existing law provides that (a) when a death occurs in the continental United States, transportation may be provided to the place of burial in the United States; (b) when a death occurs in the continental United States, transportation may be provided to the place of burial within Alaska if the deceased was an Alaskan resident and if he had been brought to the United States for VA hospital care; and (c) when a death occurs in a Territory, Commonwealth, or possession, transportation may be provided to the place of burial within such Territory, Commonwealth, or possession. Under existing law, therefore, no explicit provision is included for the transportation of deceased veterans from Alaska to the other States, although the statute might reasonably be construed, as a consequence of Alaska's admission, to permit this result. Similarly, there is no explicit provision for the transportation of deceased veterans from the other States to Alaska, in the absence of a finding that the deceased was an Alaska resident brought to another State for care. Section 29(a) of the proposed bill would make both of these results certain, and in so doing would remove the statutory distinctions between Alaska and the other States. Subsection (b) is a perfecting amendment only.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Section 30 provides two perfecting amendments to the Federal Property and Administrative Services Act. The first would make clear that the term "continental United States" includes Alaska, and the second would remove an unnecessary reference to Alaska in the definition of the term "State."

PUBLIC HEALTH SERVICE ACT

Section 31 provides certain amendments to the Public Health Service Act.

Subsection (a) amends section 2(f) of the Public Health Service Act which defines the term "State" for purposes of the act. This is a purely technical amendment eliminating the specific inclusion of Alaska as a State.

Subsection (b) would repeal section 371 of the Public Health Service Act relating to the Alaska mental health program. Section 371 authorizes grants totaling $4 million for the fiscal years 1960 through 1967 for the administration of Alaska's mental health program. The subsection also amends section 372 of such act, relating to the grant already made for the construction of a hospital and related facilities for the care of the mentally ill. The amendments to section 372 eliminate references to Alaska as a Territory.

Subsection (c), relating to hospital and medical facilities construction, amends section 631(a) of the Public Health Service Act. This section describes the method of determining allotment percentages which are used in the allocation of the appropriations for hospital and medical facilities construction under title VI of the Public Health Service Act. They are also used in connection with determining the Federal share of the cost of construction. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of determining the allotment percentages, no longer be excluded from the continental United States and would have its percentage based, as in the case of the other States, on its relative per capita income. Its Federal share would also be determined in the manner provided for the other States.

Under section 43, these amendments would be applicable in the case of promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c) also amends section 631(d) of the Public Health Service Act, which defines the term "State," to eliminate the specific reference to Alaska. This is a technical amendment.

SOCIAL SECURITY ACT

Section 32 provides certain amendments to the Social Security Act.

Subsection (a), relating to public assistance, amends section 1101(a)(8) of the Social Security Act (20 U.S.C.A., sec. 1301(A)(8)). This section defines the term "Federal percentage" which is used in determining the portion of the expenditures in each State for old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would,

for purposes of the definition, no longer be excluded from the continental United States and would have the determination of its Federal percentage made, as in the case of the other States, on the basis of its relative per capita income.

These amendments to section 1101(a)(8) of the Social Security Act would, under section 43 of the bill, be effective for promulgations of the Federal percentages made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b), relating to child welfare services, amends section 524 of the Social Security Act (42 U.S.C.A., sec. 724). This section defines the terms "allotment percentage" and "Federal share" for purposes of determining the allocation of the appropriations for child welfare services under part 3 of title V of the Social Security Act among the States and the portion of the expenditures for this purpose in each State which will be borne by the Federal Government.

The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definitions, no longer be excluded from the continental United States and would have the determinations of its allotment percentage and its Federal share made, as in the case of the other States, on the basis of its relative per capita income.

The amendments made by this subsection of the bill would, under section 43 of the bill, be effective for promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c), relating to old-age, survivors, and disability insurance, amends the last sentence of section 202(i) of the Social Security Act. This section of the act provides for lump-sum payments in certain cases of death of an individual insured under the old-age, survivors, and disability insurance program. The application for such payments must be filed within 2 years of the date of death, except that, in the case of the death outside the 48 States and the District of Columbia of a member of the Armed Forces (including commissioned officers of the Public Health Service and the Coast and Geodetic Survey) who is "returned" to any of the 48 States, the District, or any United States Territory or possession for interment or reinterment, the 2-year period begins with such interment or reinterment. This special treatment would no longer be provided in the case of deaths in Alaska. It should be noted that the 2 years may be extended for as much as an additional 2 years if good cause for the failure to file within the initial 2-year period is shown.

The subsection (c)(1) amendment would, under section 43 of the bill, be effective in the case of deaths occurring on or after January 3, 1959.

Subsection (c) of the bill also amends subsections (h) and (i) of section 210 of the Social Security Act which define "State" and "United States" for purposes of the old-age, survivors, and disability insurance program. These are purely technical amendments, eliminating the specific inclusion of Alaska as a State, since this inclusion became automatic upon Alaska's admission to the Union.

Subsection (d) amends paragraphs (1) and (2) of section 1101(a) of the Social Security Act which define "State" and "United States" for the purposes of the act. These are technical amendments.

CONGRESSIONAL RECORD

Section 33 amends the law relating to the gratuitous distribution of copies of the CONGRESSIONAL RECORD. Existing law provides that the Governors of the States shall receive one copy in both daily and bound form, while the Governors of the Territories receive five in both daily and bound form. The amendment would strike the reference to Alaska in the latter provision so that the Governor of the New State would be accorded the treatment of a State Governor rather than a Territorial Governor.

FEDERAL REGISTER

Section 34 amends the Federal Register Act so that henceforth publication in the Federal Register of notice of hearing will be regarded as notice to persons residing in Alaska, as well as elsewhere in the mainland of the United States. Under circumstances described in the statute, such publication is, under existing law, adequate with respect to residents of the continental United States excluding Alaska. The amendment would extend the provision to Alaska as well.

AIRPORTS

Section 35(a) would authorize and direct the Administrator of the Federal Aviation Agency to convey to the State of Alaska, without reimbursement, the airports at Anchorage and Fairbanks which were constructed and have been operated and maintained by the United States under the act of May 28, 1948. Subsection (b) would permit completion of certain FAA contracts following such conveyance.

SELECTIVE SERVICE

Section 36 would remove an unnecessary reference to Alaska in the section of the Universal Military Training and Service Act which defines the term "United States." The amendment is perfecting only.

REAL PROPERTY TRANSACTIONS

Section 37 amends the statute which requires the Director of the Office of Civil and Defense Mobilization to come into agreement with the Armed Services Committees of the Congress with respect to certain real property transactions. The amendment would merely remove a superfluous reference to Alaska.

RECREATION FACILITIES

Section 38 relates to the statute which authorizes the Secretary of the Interior to construct public recreation facilities in Alaska. As enacted in 1956, the law authorizes the appropriation of $100,000 each year for the 5 fiscal years ending June 30, 1961, for the construction and maintenance of such facilities, and provides for their transfer to Alaskan agencies or communities. The effect of the provision contained in section 38 is to terminate the existing authorization for appropriations and to substitute for it an authorization of funds for 1 fiscal year only. Such funds could be expended only for the completion of projects begun prior to June 30, 1959, but not completed by that date, and for the maintenance of facilities constructed under the act pending their transfer to Alaska.

AIRCRAFT LOAN GUARANTEES

Section 39 would provide a perfecting amendment to the 1957 statute (set out as a note following 49 U.S.C., Supp. V, sec. 425) which authorizes loans for the purchase of aircraft and equipment.

TRANSITIONAL GRANTS

Section 40 in subsection (a) authorizes the appropriation to the President of funds to be used for transitional grants to the State of Alaska for fiscal years 1960 through 1964. A $10,500,000 grant is authorized for 1960, $6 million for 1961 and for 1962, and $2,500,000 for 1963 and for 1964. The grants would not be earmarked and would be available as a general supplement to the financial resources of the State. The amounts appropriated for transitional grants would be offset to a large extent by the elimination of appropriations for a number of activities which the Federal Government would have continued to finance in Alaska had it remained a Territory. Those include appropriations for capital improvements at Anchorage and Fairbanks Airports; operation and maintenance of intermediate airports; special grants for mental and general health; and construction of recreational facilities. There was also taken into account the fact that Federal-aid highway funds allocated to Alaska after 1960 will not be available for road maintenance and that Alaska would receive revenues from the Federal airports transferred to it.

Subsection (b) would allow the Governor of Alaska to request that a Federal agency continue to provide services and facilities in Alaska for a limited period, pending the taking over of such responsibilities by the State. In the event that the Governor's request is approved, funds for the provision of the services or facilities by the Federal agency would be allocated to it from the grants appropriated under subsection (a), and the grant Alaska receives for the pertinent fiscal year would be correspondingly reduced.

Subsection (c) would authorize the head of a Federal agency, who has transferred to the State of Alaska property or functions pursuant to either the Statehood Act, this bill, or another law, to contract with the State for the continued performance by his agency of functions authorized to be performed by it in Alaska preceding such transfer. The authority would expire June 30, 1964. The State would be required to reimburse the Federal agency for the functions performed by it under contract.

TRANSFER OF PROPERTY

Section 41 would authorize the President to give to the State of Alaska any property owned or held by the United States in Alaska and used in connecttion with functions performed by the Federal Government which have been taken over by the State. The authority would terminate July 1, 1964.

CLAIMS COMMISSION

Section 42 provides for the establishment, should the need arise, of a temporary three member commission to hear and settle any dispute between the Federal Government and Alaska concerning the transfer of Federal property to the State. In both the Statehood Act (notably section 6(e)), and this bill (see sections 21, 35, and 41), provision is made for the transfer or conveyance of certain Federal property to Alaska. If the respective governments should not agree as to what property is comprehended by such sections, the President would be authorized to appoint a temporary commission to settle the dispute. The commission would make no money settlements, but would merely decide which jurisdiction is entitled to the disputed property. Members would receive $50 per day, would be reimbursed for travel, and would receive a per diem allowance when away from their usual places of residence.

EFFECTIVE DATES

Section 43 contains the effective dates for the various amendments to the laws establishing the grant programs of the Department of Health, Education, and Welfare. Most of these provisions have been discussed in relation to the sections amending the pertinent statutes. In addition, subsection (a) of this section provides that where the statutory provisions amended require the allotment percentage, allotment ratio, Federal percentage, or Federal share to be based on per capita income data for a specified period, the determinations will be based, prior to the time when data for the required period are available, on data for the one-year or two-year period for which such data are available.

DEFINITION OF "CONTINENTAL UNITED STATES"

Section 44 provides that, when the phrase "continental United States" is used in Federal laws enacted after the date of enactment of this bill, the phrase shall mean the 49 States of the North American Continent and the District of Columbia.

SEPARABILITY

Section 45 provides a separability clause.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
March 24, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes," together with a section-by-section analysis thereof.

This proposal is designed to make those changes in Federal laws which have become necessary and desirable because of Alaska's admission into the Union "on an equal footing with the other States in all respects whatever." The President recommended in his 1960 budget message that, where necessary, changes should be made in Federal laws "to apply to Alaska the same general laws, rules and policies as are applicable to other States." The proposed legislation would (1) make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with the other States; (2) terminate certain special Federal programs in Alaska; (3) authorize Federal financial assistance to Alaska during an interim period, transfers of Federal property to the State and other measures required to facilitate an orderly transition; (4) clarify the applicability of certain laws to Alaska, and (5) eliminate inappropriate references to the "Territory of Alaska" in Federal statutes.

Alaska already participates in the majority of Federal grant-in-aid programs on the same basis as other States. There are a number of Federal grant-in-aid programs, however, where Alaska is still accorded, as it was when a Territory, treatment different from that of other States. We believe that Alaska, as a full and equal member of the Union, should not receive more or less favorable treatment than other States under these programs. The proposed legislation, therefore, would amend pertinent laws providing Federal assistance for national defense education, vocational education, school construction and operation in federally affected areas, highway construction, vocational rehabilitation, water pollution control, hospital and medical facilities construction, old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, and child welfare services to bring Alaska under the apportionment and matching formulas applicable to all other States as soon as possible. Since the 1960 apportionments have already been made, Alaska would not participate in the Federal aid highway program on an equal basis until 1961. Transitional provisions have been included in the proposed amendments to the Smith-Hughes Act, which authorizes grants for vocational education, and the Vocational Rehabilitation Act so as to minimize the effects of any program adjustments which may be required during the transitional period. These special Federal grants which apply only to Alaska for general and mental health and construction of recreation facilities would be terminated.

The Federal Government at present constructs and maintains highways, operates commercial airports and provides a number of other services and facilities in Alaska normally furnished by State and local governments. The President stated in his 1960 budget message that, in the long-run interest of both the State and the Nation, "the Federal Government should not continue special programs in Alaska which, in other States, are the responsibility of State and local govments or of private enterprise." Since some time necessarily will elapse before Alaska can benefit fully from the revenues to be derived from public lands and other resources to be made available to the State by the Statehood Act, the President recommended that "the Federal Government should provide such financial assistance as is necessary to facilitate transfer to the State of such programs as highway construction and maintenance, airport operations, and public health services." If such assistance were not provided, the Federal Government would be faced with the undesirable alternative of postponing transfer of these functions to the State for an indefinite period. The proposed legislation, therefore, would authorize the payment of transitional grants to the State of Alaska in an amount of $10.5 million for the fiscal year 1960 and in declining amounts for the subsequent 4 years. In addition, to assist the State in establishing its court system, the draft bill would transfer to the State any oustanding balances in the accounts of the clerks of the territorial courts at such time as the Federal District Court for Alaska is established. Under the proposed legislation Alaska could choose between receiving the entire transitional grant and administering the transferred programs directly or by contract with a Federal agency, or requesting that a portion be used for financing continued Federal operations during an interim period. Expenditures for the transitional grants to Alaska would be offset to a large extent by the elimination of existing special Federal programs in Alaska.

It is recognized that Alaska will require not only financial assistance, but also facilities and equipment, if it is expeditiously to assume responsibility for functions now performed by the Federal Government. The Statehood Act provides that U.S. property situated in Alaska which is used for the purpose of conservation and protection of fisheries and wildlife in Alaska shall be transferred to the State without reimbursement. The proposed legislation would authorize the President to make similar transfers of property and equipment in any case where the State assumes responsibility for functions formerly performed by the Federal Government. In the event of differences between the Federal Government and Alaska concerning property transfers, the President would be authorized to appoint a temporary three member commission to hear and settle the disputes.

As a consequence of Alaska's changed status, it is believed appropriate to require the Court of Appeals for the Ninth Circuit to hold sessions in Alaska annually. Under the proposed legislation that court, which is now required by law to hold sessions each year in San Francisco, Los Angeles, Portland and Seattle, would be required to hold sessions in Anchorage. The proposed legislation further provides that the U.S. District Court for the District of Alaska shall hold sessions in Ketchikan, as well as at Anchorage, Fairbanks, Juneau and Nome.

The proposed legislation would extend the applicability of certain Federal laws to Alaska. These include the Sugar Act, a portion of the Investment Company Act of 1940, not hitherto applicable to certain Alaska companies, the act of June 8, 1940 (protection of bald eagles), the Federal Youth Corrections Act, certain provisions relating to parole, a statute relating to the transportation of bodies of veterans who have died in Veterans' Administration facilities, and section 29 of the Federal Register Act (notice of hearings). The draft bill would also amend the Statehood Act to clarify Federal jurisdiction over public domain lands; provide for the termination of certain "Territorial laws" administered by Federal agencies; and clarify the applicability to Alaska of the statute regarding the importation of milk and cream and the nonapplicability of the tax on transportation; provide for the transfer of the Anchorage and Fairbanks airports to the State; and provide a definition to be applicable in the future to the term "continental United States." Several of the provisions of the draft bill are essentially technical and perfecting in nature and either eliminate inappropriate references to Alaska or make other language changes which are considered appropriate because of Alaska's changed status.

The Bureau of the Budget urges early and favorable consideration of the proposed legislation, since its enactment is required to assure continuity of a number of essential public services in Alaska and to provide for the orderly transition of Alaska from territorial status to statehood.

Sincerely yours,

MAURICE H. STANS,
Director.

PROPOSED LEGISLATION RELATING TO CIVIL AERONAUTICS BOARD

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a series of bills relating to the Civil Aeronautics Board. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Civil Aeronautics Board, dated March 17, 1959, requesting the proposed legislation, together with the statements of purposes of each bill.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the letter of transmittal and the statements of purposes of each bill will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1542. A bill to amend the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain cases; and to increase the monetary amount of fines for violation of the criminal provisions.

The statement of purpose accompanying Senate bill 1542 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958, SO AS TO AUTHORIZE THE IMPOSITION OF CIVIL PENALTIES IN CERTAIN CASES; AND TO INCREASE THE MONETARY AMOUNT OF FINES FOR VIOLATION OF THE CRIMINAL PROVISIONS

The purpose of that part of the proposed amendment which authorizes the imposition of civil penalties in certain cases is to provide a statutory tool for the more effective enforcement of the provisions of title IV of the Federal Aviation Act and of the Board's economic orders and regulations issued thereunder and under section 1002(i) of the act.

At the present time violations of these provisions are subject to criminal prosecution under section 902(a) of the act. This sanction is an effective deterrent in serious cases involving knowing and willful violations. With respect to many cases of minor infractions, violations of a less serious nature, and actions falling short of knowing and willful misconduct, the conventional criminal proceedings are either too drastic, too cumbersome or altogether inappropriate. It is in acting upon these less serious but

more numerous violations that the Board believes it could avail itself of the remedy of civil penalty in a constructive manner toward improving the enforcement program.

The availability of the remedy of civil penalty would enable the Board to attack violations speedily and avoid situations such as have existed in the past where offenders have been able to persist in violations during the time required to prosecute a formal proceeding of court action.

The availability of the remedy of civil penalty would afford an adequate remedy as a substitute for criminal action except in serious cases where willful and knowing violations involving the necessary degree of criminal responsibility may be established. Moreover, the imposition of civil penalty would, in many cases, have a salutary effect comparable to that of criminal penalties without subjecting the offender to the serious stigma which follows imposition of criminal penalties.

The modifications proposed in existing section 901(a) of the act have been drafted primarily for the purpose of making available this additional sanction. In regard to section 902(a), such changes have been made to preserve the effectiveness and applicability of the criminal penalties as are made necessary in view of the amendment of section 901(a).

It is also proposed (1) to add to section 901(a) a provision, that if the violation is a continuing one, each day of the violation shall constitute a separate offense, and (2) to amend section 902(a) to increase the monetary amount of fines which may be imposed thereunder.

The amendment of section 901(a) to provide that each day of violation shall constitute a separate offense is believed desirable in the interest of effective enforcement of the civil penalty procedure. Section 902(a) already contains such a provision with regard to criminal violations.

With respect to the proposal to increase the monetary amounts of the fines which may be imposed for violation of the criminal provisions, the Board feels that the current provisions are no longer adequate. Knowing and willful violations of the Civil Aeronautics Act are serious offenses for which there should be a more effective deterrent than the present maximum of $500 for the first offense. Likewise, it is suggested that repeated offenses should carry a higher penalty than the $2,000 fine now specified as the maximum, and that there should be a mandatory minimum fine in all cases.

Accordingly, the attached draft incorporates: (1) amendments to authorize the Board to impose civil penalties in additional cases, (2) amendment of section 901(a) to provide that each day of violation shall constitute a separate offense, and (3) amendment of section 902(a) to provide for the imposition of a mandatory minimum fine of $100, with a maximum of $5,000 both for the first offense and for each subsequent offense.

There is attached an analysis of the proposed amendments and a comparison of the proposed amendments with existing law.

ANALYSIS OF PROPOSED AMENDMENTS TO SECTIONS 901(A)(1) AND 902(A) OF THE FEDERAL AVIATION ACT OF 1958

The Federal Aviation Act as now written authorizes the imposition of a civil penalty not to exceed $1,000 for each violation of (1) Any provision of title III (powers and duties of Administrator); (2) any provision of title V (nationality and ownership of aircraft); (3) any provision of title VI (safety regulation); (4) any provision of title VII (aircraft accident investigation); (5) any provision of title XII (security provisions); (6) any rule, regulation, or order issued under titles III, V, VI, VII, and XII; (7) any rule or regulation issued by the Postmaster General under the act.

The act further provides that any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of title VII, or any rule, regulation, or order issued thereunder, or by the Postmaster General in the case of regulations issued by him.

There has been added, and this is the principal purpose of the bill, language to make persons violating the provisions of title IV (air carrier economic regulation) of the act, and orders, rules, and regulations of the Civil Aeronautics Board issued thereunder, or violating any term, condition, or limitation of any permit or certificate issued under title IV, subject to a civil penalty of not to exceed $1,000. Air carriers violating Civil Aeronautics Board orders under section 1002(i) of the act will likewise be subject to such civil penalty. The power to compromise such penalties is also included in the proposed bill. In addition, a provision has been added to section 901(a), similar to that already contained in section 902(a), that if the violation is a continuing one, each day of such violation shall constitute a separate offense.

The amendment to section 902(a) has two aspects. The first is for the purpose of preserving the existing law. Under that section as it exists today, a knowing and willful violation of certain titles of the act, including title IV, and of orders, rules, regulations, certificates, and permits issued thereunder, are made misdemeanors, but only in those cases where no penalty is otherwise provided by the act. Since the proposed amendment to section 901(a) provides civil penalties for violations of title IV, the proposed amendment to section 902(a) to refer to penalties provided "in this section," is necessary in order to continue knowing and willful violations as criminal offenses.

The second aspect of the revision of section 902(a) is to increase the monetary amount of fines imposed for the violation of the criminal provisions so as to more effectively deter knowing and willful violations of the Federal Aviation Act. Therefore, provision is made for the imposition of a mandatory minimum fine of $100, with a maximum of $5,000 both for the first offense and for each subsequent offense.

COMPARISON WITH EXISTING LAW

Title IX. Penalties

Civil Penalties

Safety, economic, and postal offenses

Section 901 (a): (1) Any person who violates (A) any provision of titles III, IV, V, VI, VII, or XII of this act, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. If such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of titles IV and VII, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

Criminal Penalties

General

Section 902(a): Any person who knowingly and willfully violates any provisions of this act (except title III, V, VI, VII, and XII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise provided in this section, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for each offense to a fine of not less than $100 and not more than $5,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.

S. 1543. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes.

The statement of purpose accompanying Senate bill 1543 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO AUTHORIZE THE CIVIL AERONAUTICS BOARD TO INCLUDE IN CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY LIMITATIONS ON THE TYPE AND EXTENT OF SERVICE AUTHORIZED, AND FOR OTHER PURPOSES

The fourth sentence of section 401(e) of the Federal Aviation Act provides that "no term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require."

Under this provision it is not entirely clear as to the extent to which the Board may impose on certificates of public convenience and necessity effective limitations or restrictions with respect to schedules, equipment, accommodations, or facilities. Without some clarification this provision may result in preventing the Board from issuing certificates to carriers which request authority to perform air carrier operations on a limited scale. The purpose of the proposed legislation is to make it clear that a carrier may request and be authorized to perform limited services.

S. 1544. A bill to amend the Federal Aviation Act of 1958 in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review.

The statement of purpose accompanying Senate bill 1544 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO (1) ASSURE FOR THE CIVIL AERONAUTICS BOARD INDEPENDENT PARTICIPATION AND REPRESENTATION IN COURT PROCEEDINGS, (2) PROVIDE FOR REVIEW OF NONHEARING BOARD DETERMINATIONS IN THE COURTS OF APPEALS, AND (3) CLARIFY PRESENT PROVISIONS CONCERNING THE TIME FOR SEEKING JUDICIAL REVIEW

The purpose of the proposed amendment is to correct demonstrated deficiencies in the judicial review provisions governing the

Board, to clarify them in certain respects, and to bring them into harmony with the statutory scheme for review applicable to most other comparable agencies.

1. Existing law is susceptible to the interpretation that the Board's right of participation and of independent representation through its own counsel in court proceedings involving the validity of its own orders is dependent upon the consent and acquiescence of the Attorney General.[1] The working relationship between the Board and the Department of Justice in litigation matters generally has been satisfactory, so that practical problems rarely arise. However, in some instances there have been conflicts of opinion on matters pertinent to pending Board litigation, with the result that the Board has been deprived of the opportunity in such situations of making its views known to the court. The proposed amendment would resolve difficulties of this nature by providing for participation as of right by both the Attorney General and the Board where it may become necessary because of differences in position.

The Board's proposal for independent participation and representation is no more than a reflection of the situation as it exists today with respect to comparable Government agencies. Some agencies defend their orders in Federal courts other than the Supreme Court without any control by the Attorney General;[2] others, which are covered by the provisions of the Hobbs Act (5 U.S.C. 1031 et seq.), continue under the general control of the Attorney General, but have the statutory right to appear and be represented as a separate party in the manner which the Board advocates.[3] It is the Board's opinion that the existence of a similar right in the Board is essential to a proper recognition of its status as an independent regulatory agency, and to assure that the Board at all times will be free to express its position in court concerning the proper interpretation of the statute which it administers.

The foregoing reasons also support the Board's proposal that existing law be amended to make clear that the Board may, on its own initiative, institute and fully prosecute all necessary court proceedings to compel compliance with the act and the Board's actions taken thereunder, for it is of equal importance that independence of action on the part of the Board be assured in enforcement matters. The proposed amendment permits the Board to proceed independently or through the Attorney General in such cases, and provides that the Attorney General may, in any event, participate as of right.

2. The review provisions of the Civil Aeronautics Act, now incorporated in the Federal Aviation Act, have been judicially interpreted to the effect that certain Board actions taken without an evidentiary record, such as regulations promulgated without evidentiary hearings are directly reviewable, if at all, in the Federal district courts.[4] Since determinations of the Board are normally reviewable as orders by the courts of appeals, this interpretation has led to some uncertainty and confusion, which should be corrected. Appropriate corrective action has been taken with respect to similar problems of other agencies and departments within the coverage of the Hobbs Act, which act specifically provides that nonhearing determinations shall be reviewable in the courts of appeals (5 U.S.C. 1037).

The Board's proposal is to substantially incorporate in relevant part provisions of the Hobbs Act on this point into the review provisions of the Federal Aviation Act. The Board believes that the proposed amendment will not only alleviate the confusion and uncertainty as to the proper forum for review in these cases, but will also provide for more effective and expeditious review. The courts of appeals generally are more familiar with the Board's functions, and cases before such courts generally are processed more quickly than those in the district courts. Since, under the Hobbs Act procedure, nonhearing cases are transferred to the district courts only in those instances where there is a genuine issue of material fact, delays incurred in the course of completing the review process should be minimized.

This particular part of the amendment is specifically designed to cure the problem raised in the Arrow case, supra, where the Court of Appeals declined to review as orders Board regulations which were of general applicability and prospective effect. Under the amendment, regulations of this type which have immediate impact would be reviewable in a court of appeals. It is not designed to change or alter the existing situation with respect to rules or regulations having no immediate application, as to which a person affected may, for example, raise the question of invalidity of such rules by way of a defense in an action brought to enforce them, nor is it designed to make any orders reviewable that are not subject to review under existing law.

3. The law pertaining to the proper computation of the 60-day period for seeking judicial review of Board orders is unclear. In *Consolidated Flower Shipments* v. *Civil Aeronautics Board* (205 F. 2d 449 (1953)), the Court of Appeals for the Ninth Circuit held that the 60-day period is not extended by the filing of a timely petition for reconsideration with the Board although the Board's procedural rules permit such petitions. Although the Supreme Court has never passed on the question, there is authority for the position that, contrary to the Ninth Circuit's view, the filing of such a petition tolls the time for seeking judicial review, so that the 60-day period is to be computed from the date of entry of the order denying reconsideration rather than from the date of entry of the initial order. The Board has always supported the latter position, on the ground, inter alia, that the legislation evidences no intention to deprive a private party of the opportunity of first seeking, at his election, reconsideration from the Board where its rules permit petitions for reconsideration, and then resorting to court review. The proposed amendment eliminates the present uncertainty concerning the properly applicable rule under the Federal Aviation Act by specifically recognizing that such an election is available to substantially interested persons.

4. Section 1006(c) of the Civil Aeronautics Act of 1938 was amended by section 18 of Public Law 85–791, approved August 28, 1958, by adding the words "as provided in section 2112 of title 28, United States Code," but the Federal Aviation Act of 1958, approved August 23, 1958, was not so amended. To correct this obvious inadvertence the quoted phrase was added to section 1006(c) of the proposed bill.

It should be emphasized that no attempt has been made to affect existing law otherwise than in the specific respects noted in paragraphs 1 through 3 hereof. To that end, the language of the statute remains substantially in its present form. It may be noted that the sections of the act proposed to be amended apply generally both to the Civil Aeronautics Board and to the Administrator of the Federal Aviation Agency. To the extent that actions of the Administrator may be reviewable under section 1006(a), and insofar as the Administrator may be empowered to institute enforcement proceedings pursuant to section 1007(a), the proposed amendment effects no change in those respects.

The amendment as proposed by the Board incorporates changes, deletions, and additions in sections 1006 and 1008 of the act, many of which are minor in nature. The differences, which are shown graphically in the attached "Comparison With Existing Act," are briefly described below:

(a) The word "Circuit" has been added after the words "United States Court of Appeals for the District of Columbia," in sections 1006(a) and 1006(b) in order to accurately reflect that court's present status.

(b) Section 1006(a): Three additional changes have been made:

(1) For a description of the type of orders subject to review, the amendment substitutes the words "any final order" for the phrase "any order, affirmative or negative" now in the statute. This change embodies the judicial interpretation of the present language (*Chicago & Southern Airlines* v. *Waterman Steamship Corp.* (333 U.S. 303) [1948] and accords with the phraseology used in the Hobbs Act (5 U.S.C. 1032)).

(2) The sentence dealing with late filed petitions for review has been deleted as unnecessary.

(3) The sentence added at the end of the section makes clear the option in a petitioner to seek judicial review either within 60 days after the entry of the order complained of or within 60 days after disposition has been made of a petition for reconsideration timely filed pursuant to an applicable rule of the Board or Administrator.

(c) Section 1006(d): The section has been amended by adding, after its present provisions, additional provisions concerning the procedure to be followed with respect to hearing and nonhearing determinations. The language employed follows closely that used in section 7 of the Hobbs Act (5 U.S.C. 1037).

(d) Section 1006(f): The principal change made here is the addition of language to assure that the Board and any aggrieved party, as well as the Solicitor General, may file a petition for writ of certiorari with the Supreme Court. The same general purpose has been achieved with respect to other agencies and departments by section 10 of the Hobbs Act (5 U.S.C. 1040).

(e) Section 1008: A new subsection (b) has been added. The net effect of this particular portion of the proposed amendment is to provide (1) that the Board may, on its own responsibility, institute and prosecute enforcement proceedings brought under section 1004(c) or section 1007(a), with full rights in the Attorney General to participate in such proceedings; and (2) that in other

[1] Sec. 1008 of the act provides "Upon request of the Attorney General, the Board, or Administrator, as the case may be, shall have the right to participate in any proceeding in court under the provisions of this act."

[2] Agencies of this type are the Federal Trade Commission (15 U.S.C. 45 (c)); the Federal Power Commission (15 U.S.C. 717r, 717s; 16 U.S.C. 825, 825m(c)); the National Labor Relations Board (29 U.S.C. 160(e), 160(f)); and the Securities and Exchange Commission (15 U.S.C. 77i(a), 77vvv, 78y(a), 79(x)). The Federal Communications Commission is in the same category with respect to actions for review of its orders brought under sec. 402(b) of the Communications Act (47 U.S.C. 402(b)).

[3] The Federal Communications Commission, where review is sought under sec. 402 (a) of the Communications Act (15 U.S.C. 402(a)); the Secretary of Agriculture; the U.S. Maritime Administration and the Federal Maritime Board; and the Atomic Energy Commission (see 5 U.S.C. 1032, 1038). The Interstate Commerce Commission long has had similar independence of participation and representation (28 U.S.C. 2322, 2323).

[4] See *Arrow Airways, Inc.* v. *Civil Aeronautics Board*, 182 F. 2d 705 (1950).

than section 1007(a) proceedings, the Attorney General will have general supervisory direction and control of Board litigation, but with a statutory right in the Board itself to independent participation and representation (except in criminal proceedings).

S. 1545. A bill to amend the Federal Aviation Act of 1958 so as to authorize elimination of a hearing in certain cases under section 408.

The statement of purpose accompanying Senate bill 1545 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO AUTHORIZE ELIMINATION OF A HEARING IN CERTAIN CASES UNDER SECTION 408

Under section 408(b), the Board may not grant its approval of any of the acts enumerated in section 408(a) without first conducting a hearing upon an application presented to the Board. The purpose of the proposed amendment is to relieve the Board and the parties to an application submitted under section 408(b) from the necessity of going through a hearing in those cases where the Board determines that a hearing is not necessary in the public interest and no person disclosing a substantial interest requests a hearing.

Many of the acts which require Board approval under section 408(b), such as a proposed merger of airlines or the acquisition of control of an airline, are transactions which substantially affect the public interest, and of course relief from the mandatory hearing requirement is not being sought in respect of them. However, experience has shown that in many other cases a hearing serves no useful purpose. These are cases involving relatively simple transactions which by reason of their limited nature (1) cannot conceivably affect the control of a direct air carrier or result in creating a monopoly, restraining competition, or jeopardizing another air carrier not a party to the transaction; (2) do not involve an objection by any interested party; and (3) where a hearing would provide no further significant information concerning the transactions.

Examples of such transactions are purchases and leases of a limited number of aircraft (often only one aircraft and seldom more than three) where it appears that the transaction will prove beneficial to both parties and the public and where no person not a party to the transaction is concerned with it. Another example is a transaction directly affecting only a small air freight forwarder, where the impact of the transaction on the public interest can only be considered de minimus. In cases such as these where a hearing serves no useful purpose and no interested person requests a hearing, it is believed that Congress would desire that the Board have authority to act on the matter without a hearing. Congress has granted authority similar to that being here requested to the Interstate Commerce Commission (sec. 5 of the Interstate Commerce Act, as amended by the act of Aug. 2, 1959) and to the Federal Communications Commission (sec. 221 of the Communications Act of 1934, as amended by the act of Aug. 2, 1956).

In the absence of authority in section 408(b) to dispense with a hearing, the Board has on various occasions followed the procedure of exempting the parties to an application from the requirements of section 408 pursuant to the exemption authority contained in section 416(b) of the act. However, this procedure can be followed only in cases where the Board finds that the enforcement of section 408 would be an undue burden on an air carrier applicant "by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier * * * and is not in the public interest." In cases where the applicant or one of the applicants for approval of a transaction under section 408 is not an air carrier, then the Board cannot grant such applicant an exemption for the reason that section 416(b) gives the Board exemption authority only with respect to air carriers. In such cases the Board has had no choice other than to hold hearings, even in cases where it was apparent that such hearings would serve no useful purpose so far as enabling the Board to protect the public interest is concerned.

It is estimated that enactment of the proposed amendment would enable the Board to eliminate as many as 10 hearings each year which are now required to be conducted at considerable expense in terms of time, effort, and money expended by the Board's staff and by the applicants.

S. 1546. A bill relating to the use of Civil Aeronautics Board reports and testimony of Board personnel regarding aircraft accidents.

The statement of purpose accompanying Senate bill 1546 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION RELATING TO THE USE OF CIVIL AERONAUTICS BOARD REPORTS AND TESTIMONY OF BOARD PERSONNEL REGARDING AIRCRAFT ACCIDENTS

Pursuant to sections 701 and 702 of the Federal Aviation Act, the Civil Aeronautics Board is charged with the responsibility for investigating and determining the probable cause of accidents involving civil aircraft and making reports concerning such accidents. This function is discharged in large measure by expert accident investigators employed by the Board's Bureau of Safety. Written reports are prepared by these investigators on all accidents investigated by them, which embody their factual observations as well as their conclusions and these reports are submitted to the Board. The accident investigators also testify in the Board's accident investigation hearings.

The purposes of the proposed amendment to the Federal Aviation Act are (1) to preserve the integrity of the Board's function to determine the probable cause of accidents involving aircraft; (2) to this end, to prevent the kind of involvement of the Board and its personnel in litigation arising from such accidents which would result from their testifying as expert witnesses or from the use in such litigation of Board reports or records; and (3) to make factual information pertaining to accidents developed by Board personnel, available to litigants to the extent it is not reasonably available elsewhere and in the manner which reduces to a minimum the time Board personnel are kept away from their regular duties.

These purposes are fully consistent with established public policy and with the underlying intent of the enabling statute. Undesirable involvement of the Board or its personnel in the issues arising in litigation would result from their giving expert or opinion testimony. The opinions of these experts, upon which the Board relies heavily in making its findings as to probable cause and recommendations in accident reports, are so inextricably entwined with the report that this basic purpose would be defeated were such opinion testimony permitted. Furthermore, the use of Board investigators as experts to give opinion testimony in civil suits between private parties would impose a serious burden on the Board's investigative staff, and would seriously interfere with the functioning of the Board's investigative processes. The proposed amendment would not impinge upon the policy of the law to make factual information and proof available to litigants who need it, but would reconcile that policy with the interest of the Government not to have the time and efforts of persons on the public payroll unnecessarily diverted from their tasks. The Board and its personnel would be assured of uniform rules and procedures governing their testimonial duties in accident litigation, which would enable the Board to more reliably plan the use of its limited staff of accident investigation experts.

The need for this legislation is shown by experience. Present section 701(e), continued without change from section 701(e) of the Civil Aeronautics Act of 1938, does not explicitly prohibit expert testimony by Board personnel and does not regulate the taking of their factual testimony. The Board has promulgated regulations which express the principles of the proposed legislation in this respect, 14 CFR 311.3, but they have not always proved effective.

It should be pointed out that the proposed legislation constitutes a minimum program. Thus this legislation would not overrule those court decisions which have permitted use of the transcript of testimony in the Board's accident investigation hearings for purposes of cross-examination in private litigation, nor those which have held that accident reports made to the Board by operators of aircraft are not privileged. The Board at this time is limiting its legislative proposal to the areas of the most pressing need.

S. 1547. A bill to amend the Federal Aviation Act of 1958 so as to prohibit certain practices regarding passenger ticket sales and reservations.

The statement of purpose accompanying Senate bill 1547 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO PROHIBIT CERTAIN PRACTICES REGARDING PASSENGER TICKET SALES AND RESERVATIONS

The purpose of the proposed amendment is to protect the right of the public to purchase airline tickets at the lawful tariff rates and to prevent the purchase of tickets by brokers or other persons with the intent of selling the tickets to travelers at a premium.

Section 403(b) of the Federal Aviation Act prohibits carriers from charging more or less than the effective tariff rate. This provision is supplemented by section 902(d) specifically penalizing ticket agents as well as carriers, or the personnel or representatives thereof, for rebating or charging less. There is no parallel penalty against ticket agents or persons other than carriers for scalping—charging more. To deter scalping effectively, passage of such a penalty provision is necessary.

The practice of "ticket scalping," so-called, has grown to such an extent as to constitute a substantial burden on the orderly development of interstate air transportation. The adverse effects of the practice are particularly evident on the most heavily traveled routes, such as that between New York and Miami. However, with the increasing demand for air transportation throughout the country, it may be expected that these practices will increase, to the expense and annoyance of the traveling public, unless effective measures are taken to put a stop to them.

A common pattern of "ticket scalping," as revealed by investigations conducted by the Board's Office of Compliance, is for an individual to make ticket reservations in anticipation of heavy travel demand. As it is required that the prospective passengers' names be given, the tickets are reserved in the name of a person not intending to use the space. Upon being approached for assistance in obtaining travel accommodations by a bona fide prospective passenger, the individual picks up one of the tickets he has received, and delivers it to the prospective passenger, charging a substantial premium or gratuity, commonly ranging from $5 to $50. The purchaser is advised, of course, that he must travel under the name of a person who did not intend to use the

space which appears on the ticket. The individuals engaging in these ticket selling practices are frequently hotel employees and others similarly situated to come in frequent contact with travelers.

Certain travel agencies themselves may knowingly issue tickets to persons with names other than those in which the space was previously reserved, not necessarily to extract a premium price from the purchaser, but to get the commissions paid them by carriers for the ticket sales. The space reservations may actually have been made in fictitious names or may have been made for people later deciding not to buy the space reserved.

It is also essential that the above amendment be supplemented by a prohibition against purposely making reservations in the name of a person not intending to use the space or selling tickets knowing that they were issued for the use of a person other than the buyer or were issued pursuant to a reservation made for the use of a person other than the buyer. This prohibition, coupled with a penalty, would further deter scalping schemes at inception and prevent a few unscrupulous individuals from monopolizing unsold space which should always be available through any legitimate agency or the carrier to those seeking accommodations.

There would seem to be no doubt that the recommended provisions would go far to prevent scalping and the usurpation of space which causes an undue burden on an anxious public seeking to obtain air travel accommodations. Federal legislation is needed to provide an effective remedy for a general situation which cannot be adequately corrected by the carriers, by local enforcement of such State statutes or ordinances as are in effect, or by the Board under its present authority.

S. 1548. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air.

The statement of purpose accompanying Senate bill 1548 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO INCLUDE A DECLARATION OF POLICY RELATIVE TO THE USE OF CIVIL AIRCRAFT IN MEETING THE NEEDS OF THE GOVERNMENT FOR TRANSPORTATION BY AIR

The Board believes that the Government, the Nation's largest single user of transportation, in providing for transportation by air, should, whenever practicable, utilize the services and facilities of operators of civil aircraft offering such transportation. In particular, the policy of the Department of Defense not to engage in competition with the operators of civil aircraft should be continued and encouraged by statutory sanction.

The value to the Nation of civil aircraft operators as a means of providing a reservoir of aircraft and trained personnel which can be utilized by the military in time of emergency has been pointed out many times. By utilizing the services of such operators the Government can not only strengthen them, but even in marginal cases can assure their continued existence. In the case of a subsidized air carrier, the advantages of making use of its facilities, where it is practicable to do so, may be even more pronounced, by reason of the additional advantage of reducing or eliminating the need of the air carrier for Government subsidy.

The addition of the proposed new policy statement would be responsive to the recommendations made by the President's Air Policy Commission in 1954 (Report on Civil Air Policy, May 1954, p. 17), and the recommendation of the Comptroller General in his report to the Congress on the Civil Aeronautics Board in 1955 (Audit Report to the Congress of the United States, Civil Aeronautics Board, October 1955, p. 30). However, the Board's proposal is broader, and would not be limited to the certificated air carriers.

ANALYSIS OF PROPOSED AMENDMENT TO TITLE I OF THE FEDERAL AVIATION ACT OF 1958

The proposed amendment consists simply of the insertion of a new section to title I. The new section is numbered section 104, and the present section 104 entitled "Public Right of Transit" is renumbered as section 105.

Primarily, the purpose of the amendment is to assure, by declaration of congressional policy, the continuance by the Department of Defense, the Nation's largest single user of transportation, of its policy not to engage in competition with the operators of civil aircraft. However, considerations prompting such a declaration of policy also apply, in lesser degree, to other agencies of the Government. The proposed amendment therefore has been made of general applicability but includes specific reference to the Department of Defense.

Likewise, the legislation has been drafted so as not to limit the expression of congressional policy to utilization of the services of the certified air carriers, as distinguished from other operators of civil aircraft willing and able to furnish transportation by air.

S. 1549. A bill to amend section 407 of the Federal Aviation Act of 1958.

The statement of purpose accompanying Senate bill 1549 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND SECTION 407 OF THE FEDERAL AVIATION ACT OF 1958

Section 407(e) of the Federal Aviation Act provides that the Board shall have access to all accounts, records, and memoranda kept by air carriers and may inspect and examine the same. However, under the language of the section as written there is doubt as to the authority of the Board to examine the books and records of persons controlled by an air carrier, under common control with an air carrier, or of service organizations controlled by groups of air carriers. The activities of such persons and organizations are known to the Board in varying degrees from information presented at hearings and common carrier pooling agreements relating thereto submitted to the Board for approval. The Board has no means of determining the accuracy of financial data relating to such persons included in submissions to it, and, specifically, of compliance with the terms of agreements and the equity of formulas included therein.

The legislation herein proposed would implement the recommendation of the Comptroller General of the United States contained on pages 3 and 91 of his "Audit Report to the Congress of the United States, Civil Aeronautics Board, October 1955."

Accordingly, the Board believes that section 407(e) should be amended to make it clear that the Board's authority under section 407 embraces persons controlled by an air carrier, under common control with an air carrier, and service organizations controlled by groups of air carriers.

There is attached a detailed analysis of the proposed amendments and a comparison with existing law.

ANALYSIS OF PROPOSED AMENDMENT TO SECTION 407 OF THE FEDERAL AVIATION ACT OF 1958

Section 407 of the Federal Aviation Act provides for the filing of reports, the prescription by the Board of the forms of accounts, and for the inspection of accounts and other records of air carriers by the Board. In addition, section 407(e) provides that "the provisions of this section shall apply, to the extent found by the Board to be reasonably necessary for the administration of this Act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act, as amended."

Thus the provisions of this section are limited in application to (1) air carriers, (2) persons having control over an air carrier, and (3) persons affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act. "Affiliates," as defined in section 5(8), now section 5(6), of the Interstate Commerce Act does not specifically make reference to persons controlled by an air carrier, persons under common control with an air carrier, or to associations controlled by groups of air carriers. Consequently, there is doubt as to whether the provisions of section 407(e) extend to such persons or associations.

It is proposed to clarify this matter by amending the last sentence of section 407(e) of the Federal Aviation Act as heretofore indicated.

Precedent for the enactment of legislation along the lines here recommended may be found in the action taken by Congress relative to the auditing and inspection powers of the Interstate Commerce Commission.

Originally, the accounting and inspection provisions of the Interstate Commerce Act with respect to regulation of railroads extended only to real carriers. In November, 1938, the Interstate Commerce Commission recommended to the Congress that noncarrier railroad subsidiaries be brought within its jurisdiction with respect to accounting. See the 52d Annual Report of the Interstate Commerce Commission, page 121. In 1940, and 1949, the Interstate Commerce Act was amended so as to greatly enlarge the scope of section 20(5) relating to the keeping of accounts and their inspection. The Commission was given authority to inspect the accounts of "carriers, lessors, and associations" and to inspect the accounts of "any person controlling, controlled by, or under common control with any such carrier." Further, "association" was defined in section 20(8) to mean "an association or organization maintained by or in the interest of any group of carriers subject to this part which performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

These changes were brought about, in part at least, as a consequence of the decision of the Commission in Refrigeration Charges on Fruits, etc., from the South (151 ICC Reports, pp. 649, 651, 693 (1929)). That case involved the Fruit Growers Express Co., which was not a common carrier but all of its stock was owned by 18 railroads. The Commission stated that the express company was not subject to its jurisdiction, and further stated on page 693:

"We are further of the opinion that when the carriers perform a part of their transportation service through a separate agency having a monopoly and not subject to the restraint of competition, they should, as they do here, control that agency, but its accounts and the contracts which it makes with the carriers should be subject to our jurisdiction. The investigation which we have made in this proceeding is essential to the determination of reasonable charges for a special service which by statute has been included in the transportation duties of respondents. Yet this investigation, so far as it involves the accounts and records of the express company, has been made as a matter of favor. Under the present law we have no access to the records of that company which we could have enforced as a matter of legal right. Plainly this is an indefensible situation which ought not to be permitted to continue."

S. 1550. A bill to amend the Federal Aviation Act of 1958 to provide for the separation of subsidy and airmail rates, and for other purposes.

The statement of purpose and analysis accompanying Senate bill 1550 are as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO PROVIDE FOR THE SEPARATION OF SUBSIDY FROM AIRMAIL RATES, AND FOR OTHER PURPOSES

The purpose of the proposed amendment is to eliminate the confusion which still arises in the public mind as to the difference between subsidy and service mail pay and to create greater administrative flexibility and other technical advantages in the administration of the Federal Aviation Act.

Under existing law the establishment and payment of compensatory rates for the carriage of airmail are merged in section 406 of the Federal Aviation Act with the establishment and payment of subsidy to air carriers operating under certificates authorizing the transportation of mail by aircraft. Although Reorganization Plan No. 10 of 1953 (67 Stat. 644, effective October 1, 1953) and the incorporation of the substance thereof in section 406(c) of the Federal Aviation Act of 1958 accomplished a major part of the objectives of subsidy separation, by placing responsibility for subsidy payment in the agency which determines the subsidies and by enabling the Congress and the President to maintain effective review of the subsidy program, there still exists some misapprehension in the mind of the general public as to the distinction between payment in compensation for the service of transporting the mail and payment in support of the development of air transportation. Legislative separation will help to eliminate this misunderstanding. Under the proposed legislation, in place of fixing, determining and publishing a single rate which includes an element to be paid by the Postmaster General as service pay and an element to be paid by the Board as subsidy, a separate subsidy rate exclusive of the compensatory pay element would be fixed, determined and published by the Board for payment by the Board.[1]

It should be noted that the proposed legislation does not alter the basic national policy of promoting the sound development of air transportation through Federal aid, nor does the legislation change the aggregate amount of revenue for which any airline is eligible. Moreover, the legislation enhances the opportunity for congressional and public review both of subsidy rates and of service rates. (See "Message from the President of the United States Transmitting Reorganization Plan No. 10 of 1953," H. Doc. No. 160, 83d, Cong., 1st sess.)

To be emphasized is the fact that no attempt has been made to affect existing law otherwise than in the specific respects stated above. To that end, the language of the new statutory provision closely parallels the language of section 406 of the act. However, it has been deemed desirable to make a clarifying change by substituting for the words "each holder of a certificate authorizing the transportation of mail by air" in section 406(a) the words "air carrier authorized to transport mail by air." Inasmuch as the Board has construed the present provision of section 406(a) authorizing it to fix service rates for the transportation of mail to include carriers not holders of certificates, the language of the section has been amended to clarify this point. In the Board's opinion this will not add to the Board's powers but will recognize the practice which prevails under this section.

By retaining the present pattern of section 406 the interpretation and standards which have governed the old section 406 will continue to be generally applicable to the amended provision.

ANALYSIS OF PROPOSED AMENDMENTS TO SECTION 406 OF THE FEDERAL AVIATION ACT

1. Present section 406(a): This is the basic provision authorizing the Board to fix reasonable rates of compensation for the transportation of mail by aircraft. The Board has construed this provision as authorizing it to fix such rates for carriers authorized to transport mail by exemption order as well as carriers holding certificates. The only change proposed in this subsection is to delete the words "holder of a certificate authorizing the transportation of" and inserting in lieu thereof "air carrier authorized to transport." The purpose of this amendment is not to enlarge the Board's powers but to give recognition to the practice which prevails under this section. In addition, language from present subsection (b) is added to make subsection (a) complete in itself as the provision under which service mail pay is to be determined and paid.

2. Present section 406(b): This is the provision under which subsidy is now paid to the air carriers. It also specifies certain factors which the Board shall take into consideration in fixing the service mail rate as well. Under this provision the Board has applied the so-called cost standard. That part of section 406(b) which provides for subsidy compensation in addition to the service rate has in substance been transferred to the proposed new section 406(b) entitled "Subsidy for Essential Aircraft Operation." This new section provides for determination of subsidy as a separate matter. It empowers the Board to fix reasonable rates providing subsidy for any air carrier operating under a certificate authorizing the transportation of mail by aircraft. To the extent applicable, provisions of present sections 406(a), (b) and (c) have been incorporated. Thus existing standards, interpretations, and practices in determining "need" under present section 406(b) will continue to be applicable.

The "need" clause in the present section 406(b) is broken into two parts. The first part provides for the consideration of "need" for compensation for the transportation of mail sufficient to insure the performance of such service. This provision is similar to the normal ratemaking standard found in public utility statutes and, standing alone, would not authorize the inclusion of a subsidy element in mail rates. (See the Board's decision in *Pan American Airways Co.* (of Delaware); *Mail Rates* (1 C.A.A. 220, 252) (1939)). However, if this part of the "need" clause were included in the new section 406(a) as a ratemaking standard, it is conceivable that the language could be construed as granting the Board authority to include subsidy support in service mail rates. In order to clarify the intention not to grant such authority and inasmuch as the provision is not applicable to subsidy, it has been deleted. The second part of the "need" clause, under which subsidy is paid is continued in the new section 406(b) without change.

3. Present section 406(c): The provisions of this section have been incorporated in new sections 406(a) and 406(b).

4. Present section 406(d): This has been carried over substantially unchanged, but has been renumbered section 406(c).

5. Present section 406(e): This has been carried over substantially unchanged, but has been renumbered section 406(d).

6. New section 406(e): This provides that the amendments shall become effective 60 days after enactment, but only with respect to services rendered on and after such date. Provision is made for carrying over pending rates until superseded by new rates under the amended provisions.

S. 1551. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons.

The statement of purpose accompanying Senate bill 1551 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO AUTHORIZE FREE OR REDUCED-RATE TRANSPORTATION FOR CERTAIN ADDITIONAL PERSONS

The purpose of the proposed amendment is to provide statutory authority to air carriers and foreign air carriers to provide free or reduced-rate air transportation to certain categories of persons in addition to those now specifically provided for in the Federal Aviation Act of 1958.

Section 403(b) of the act permits air carriers and foreign air carriers, under such terms and conditions as the Civil Aeronautics Board may prescribe, to provide free or reduced-rate transportation to certain persons, including their directors, officers, and employees, and their immediate families, as well as persons injured in aircraft accidents and physicians and nurses attending such persons. The proposed amendment would expressly permit such transportation for three additional categories of persons, namely (1) directors, officers, and employees who are retired and their immediate families, (2) the parents of officers and employees (whether or not living in his immediate household), and (3) the members of the immediate family of any person injured or killed in an aircraft accident for the purpose of traveling to and returning from the place in which the accident occurred.

It is to be noted that the proposed legislation is permissive and would permit appropriate carrier action subject to Board control. Hence each carrier would be reasonably free in its discretion to offer the subject transportation free, at reduced rates, or at full fares as it saw fit. Furthermore, carriers would be reasonably at liberty to set up certain restrictions, such as allowing carriage on a space-available basis, which would be consonant with economic considerations.

The Board recommends that the Congress give favorable consideration to the amendment of section 403(b) of the act so as to authorize air carriers and foreign air carriers to provide free or reduced-rate air transportation to the three categories of persons described. The Board believes that provision of such free or reduced-rate transportation will not burden the carriers unduly, that it will allow the carriers to continue practices of long standing which have become imbedded in the industry's public and labor relations structure, and that it would be in the public interest.

S. 1552. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail service of process, and for other purposes.

The statement of purpose accompanying Senate bill 1552 is as follows:

STATEMENT OF PURPOSE AND NEED FOR LEGISLATION TO AMEND SECTION 1005(c) OF THE FEDERAL AVIATION ACT OF 1958 TO AUTHORIZE THE USE OF CERTIFIED MAIL FOR SERVICE OF PROCESS, AND FOR OTHER PURPOSES

Section 1005 of the Federal Aviation Act of 1958 specifies the manner in which service of notices, processes, orders, rules, and regulations may be made. Subsection (c) thereof provides that such service may be made (1) by personal service, (2) upon an agent designated in writing, or (3) by registered mail.

When this provision was enacted as a part of the Civil Aeronautics Act in 1938, certified mail was not in existence, and the only method provided by the Post Office for proof

[1] Under existing law, the Board now fixes separate compensatory rates for payment by the Postmaster General, but, in order to arrive at the amount of the subsidy payments the Board must fix, determine, and publish a single, inclusive rate and deduct the amounts paid by the Postmaster General.

of mailing and delivery was through the use of registered mail.

The registered mail service was primarily established to provide greater security for the transmission of valuable mail such as jewelry. In providing such security the Post Office Department has required that registered mail be accounted for as it passes through the various stages of transportation and delivery, and records are kept at the point of origin for 3 years.

In 1955 the Post Office Department determined that a new service should be provided for mail of no intrinsic value but for which a proof of mailing was required by the sender. The new service was established on June 6, 1955, and is known as "Certified Mail." This mail is not given the special protection provided for registered mail, but in other respects it provides essentially the same service as registered mail. Certified mail thus affords a cheaper means for the transmission of documents or other matter now permitted to be served or transmitted by registered mail. Proof of mailing is available through the system of receipts given at the time of mailing.

During the 12-month period August 1956 through July 1957 the Board dispatched some 6,000 pieces of registered mail in connection with service of processes. Service could have been accomplished just as well, and at less expense to the Government, if the documents could have been sent by certified mail. The fee for registered mail is 50 cents as compared with 20 cents for certified mail.

Precedent for the proposed legislation may be found in the recent enactment by Congress of Public Law 85-259, approved September 2, 1957, which authorizes the use of certified mail as well as registered mail for summoning persons for jury duty.

It should be emphasized that the proposed amendment would merely authorize the use of certified mail as an additional or alternative method for service of process. Registered mail could continue to be used at the agency's discretion.

S. 1553. A bill to amend the Federal Aviation Act of 1958 to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes.

The statement of purpose accompanying Senate bill 1553 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958, TO PROVIDE FOR THE REGULATION OF RATES AND PRACTICES OF AIR CARRIERS AND FOREIGN AIR CARRIERS IN FOREIGN AIR TRANSPORTATION, AND FOR OTHER PURPOSES

The proposed legislation would grant to the Board regulatory authority over passenger and property rates and practices in foreign air transportation which it now lacks.

Title IV of the Federal Aviation Act of 1958 (formerly the Civil Aeronautics Act of 1838) imposes upon every air carrier the duty of providing interstate and overseas air transportation at reasonable rates. Title X of the act authorizes the Board under certain circumstances to prescribe the rates for interstate air transportation, to prescribe maximum or minimum or maximum and minimum rates for overseas air transportation, and to suspend operation of new tariffs for interstate or overseas air transportation pending determination of the lawfulness of such tariffs. But the act gives the Board practically no direct authority over the rates and practices of either United States or foreign air carriers engaged in foreign air transportation. The sole power now possessed by the Board (apart from the Board's power to disapprove agreements among air carriers and foreign air carriers fixing rates and practices in foreign air transportation) is that of ordering a carrier in foreign air transportation to remove a discrimination in its rate structure if, after notice and hearing, such a discrimination is found to exist. Thus, the Board has no summary power to stop any carrier in foreign air transportation from placing into effect any rate, fare, or practice it elects; and even after full hearing its power to order any change is restricted to the limited area of removing discrimination.

Over the years, the United States together with other nations has participated in conferences and negotiations seeking the orderly development of international air services. However, in negotiations in which efforts have been made to improve the position of the United States in meeting foreign air transportation competition, this Government has found on numerous occasions that its international bargaining power has been restricted by the limited authority over rates and practices in foreign air transportation which is now possessed by the Board.

The increased necessity for vesting in the Civil Aeronautics Board the power to regulate rates and practices in foreign air transportation arises in part from a course that the bilateral air transport agreements with foreign countries have taken in recent years. Foreign countries, like the United States, assert complete national sovereignty in respect of the air space overlying their respective territories. Such claims have been internationally recognized in the convention on international civil aviation drawn up at Chicago in December 1944. Under the provisions of that convention, each contracting country retains complete freedom of action with respect to the admission into its territory of foreign flag scheduled airlines.

One of the conditions which many of the countries have placed on the entry into their territories of American-flag carriers is that passenger and cargo rates must be fixed at fair and reasonable levels. The United States has found itself handicapped in the past in entering into negotiations with foreign governments because of the lack of statutory power in the Civil Aeronautics Board to require that United States air carriers operating into foreign countries establish just and reasonable rates and practices. If the act is amended as proposed, the United States could fully undertake the obligation to see to it that its carriers adhere to a reasonable rate structure.

In the absence of such power in the Board, foreign countries have insisted on retaining the summary right to prevent U.S. carriers from operating into their territory at any rate which they deem to be unfair or unreasonable. While provision is made in the various agreements to which the United States has become a party for the review of such a decision on the part of a foreign country by an arbitral tribunal or by the International Civil Aviation Organization, the foreign country has uniformly retained the right to prevent operations at the disputed rate pending such review. If the act were amended as proposed so as to give the Board the power to prescribe the rates and practices of air carriers in foreign air transportation, it is believed that foreign countries would be willing to permit the continued operation of an American carrier at the rates determined by the Board, even where such rates were thought by the foreign country to be unreasonably high or low, pending final review by an arbitral tribunal or by the International Civil Aviation Organization.

The consequence of the Board's lack of authority under present law is that U.S. air carriers, far from being independent to fix whatever rates they choose, are subject to almost complete rate control by the foreign countries to which they operate. The enactment of rate control legislation would bring into force benefits in the negotiating of bilateral agreements by placing such control in large part in the hands of the U.S. Government. In effect, passage of this legislation would give the United States control over the rates and practices of our carriers which is now in foreign hands.

Likewise, passage of this legislation would give the United States the same degree of control over the rates and practices of foreign air carriers operating into U.S. territory as the foreign countries now have in respect of the rates and practices of U.S. air carriers which fly into their territories, namely, the right to insist that the passenger and cargo rates of such foreign air carriers operating into U.S. territory be fixed at fair and reasonable levels and that the practices or conditions of carriage which are embodied in the tariffs, waybills and tickets of such foreign air carriers be free from objectionable provisions.

The Board believes that there is no basis for a contention that bringing the Board's statutory authority over international rates and practices on a par with that of other governments will derogate or be in variance from this country's support of the International Air Transport Association (IATA) as the primary instrument for establishing and maintaining a sound and fair rate structure for international air services. On the contrary, the Board believes that the possession of effective regulatory power over international air rates and practices by the respective governments is the only proper basis for the delegation of initial ratemaking powers to an organization of international air carriers, and that neither the United States nor any other government should delegate or has delegated to IATA the governmental responsibility of insuring that the international rate structure is fair to the traveling and shipping public and in other respects is in the public interest. In summary, the Board believes that effective Government control over the international rate structure, rather than being an obstacle to multilateral air-carrier action though IATA, is essential to the proper and successful operation of the carriers' multilateral rate machinery. In this connection, it is pointed out that need for Board regulatory action might arise from failure of IATA to achieve agreement in respect of certain rates and practices, from governmental disapproval of IATA agreements, and also from rate actions by air carriers not members of IATA.

Under the present act, the Board lacks authority to regulate the rates charged by carriers for military contract air transport services between the United States and foreign points. Under conditions of excess capacity, it is possible for destructive competition for military contracts to develop, leading to the performance of air transport services at uneconomic rate levels. On the basis of recent information, it appears that such a situation may now be developing. Although full regulatory control over carriers performing military contract air transport services will require additional legislation not embodied in the present request, a prerequisite is that the Board be granted the control authority over the rates and practices of air carriers and foreign air carriers in foreign air transportation, which is the subject of the present request.

For the reasons outlined above the Board believes that it should be given authority over rates and practices of air carriers and foreign air carriers in foreign air transportation. However, while under section 1002(d) the Board's function to determine and prescribe rates and practices in interstate and oversea air transportation is mandatory in that it must be exercised if on the basis of a record made in quasi-judicial proceeding the Board is of the opinion that a rate or practice is contrary to statutory standard, greater flexibility is required in the national interest in the field of international air transportation. Such additional flexibility

is assured by stating the Board's rate-fixing powers in foreign air transportation in a separate subsection which uses discretionary rather than mandatory terms.

The Board should also be given the same discretionary power to suspend the rates and practices of air carriers and foreign air carriers in foreign air transportation pending hearing as it now has in respect of domestic transportation. Most foreign governments have the power to suspend U.S. air carrier rates, and the United States should not voluntarily continue to tie its own hands so as to prevent it from taking like action where it is needed in the public interest.

In addition to giving the Board discretionary power to control the rates and practices of air carriers and foreign air carriers in foreign air transportation, the proposed bill makes other changes affecting the duties and obligations of air carriers and affecting the Board's regulatory authority in respect of such duties and obligations. Specifically, the provisions of subsection 1002(i) of the act, giving the Board power to prescribe through services and joint rates, are made applicable to air carriers in interstate, oversea and foreign air transportation. These changes, affecting air carriers but not foreign air carriers, are considered desirable by the Board for the reason that the Board believes that air carriers should be subject to the same duties and obligations and regulatory control in respect of services, rates, and divisions in foreign air transportation as in interstate and oversea air transportation.

There is attached a section-by-section analysis of the proposed bill and a comparison with existing law.

SECTION BY SECTION ANALYSIS OF PROPOSED BILL TO AMEND THE FEDERAL AVIATION ACT OF 1958

1. Section 1 of the bill amends subsection (d) of section 1002 of the act, which gives the Board authority to prescribe rates and practices of air carriers in interstate and overseas air transportation, with a proviso that as to overseas air transportation the Board may prescribe only a "just and reasonable maximum or minimum or maximum and minimum rate, fare, or charge," by changing the colon following the word "effective" to a period and striking out the following: "*Provided*, That as to rates, fares, and charges for overseas transportation, the Board shall determine and prescribe only a just and reasonable maximum or minimum or maximum and minimum rate, fare or charge." The effect of the above changes is to give the Board the same authority to prescribe the rates and practices of air carriers in overseas transportation as the Board now has in respect of interstate transportation. The elimination of the proviso is necessary to prevent the anomaly of the Board's having less authority over rates and practices in overseas air transportation than in foreign air transportation.

2. Section 2 of the bill amends subsection (e) of section 1002 by inserting the words "foreign air carrier" and "foreign air carriers" after the words "air carrier" and "air carriers" where they appear in the subsection. Section 1002(e) constitutes the rule of ratemaking and sets forth various criteria for the determination, inter alia, of the justness and reasonableness of rates and fares for the transportation by air of persons and property. Since other sections of the bill confer upon the Board the power to pass upon the justness and reasonableness of foreign air carrier rates, it is appropriate to make the standards of section 1002(e) applicable to foreign air carriers as well as U.S. flag carriers. This is accomplished by section 3 of the bill. In this connection it may be noted that under section 1102 of the act, the Board is directed to exercise and perform its powers and duties consistently with any obligation assumed by the United States in any treaty, convention, or agreement, and to take into consideration any applicable laws and requirements of foreign countries.

3. Section 3 of the bill amends subsection (f) of section 1002 of the act. This subsection now permits the Board to exercise the limited power of ordering an air carrier or a foreign air carrier to remove a discrimination, preference, or prejudice in its foreign air transportation rate structure if, after notice and hearing, such a discrimination, preference, or prejudice is found to exist. It is predicated upon the fact that the Board does not now have the power to otherwise regulate the rates and practices of air carriers and foreign air carriers in foreign air transportation. It, therefore, has been rewritten to grant the Board the power to hold a hearing in respect to the question whether a rate or practice in foreign air transportation is unreasonable or unjustly discriminatory or preferential. In case, upon such a hearing, the Board is of the opinion that the rate or practice is contrary to statutory standards, the Board is given discretionary authority to alter the rate or practice to the extent necessary to correct unreasonableness or discrimination, and to order discontinuation thereof by the carrier. The Board also has further discretion to prescribe the lawful practice or rate, or the maximum and/or minimum of the rate.

4. Section 4 of the bill amends subsection (g) of section 1002 of the act, which gives the Board power to suspend the rates and practices of air carriers in interstate and overseas air transportation pending hearing, (1) by striking out the words "interstate or overseas", (2) by changing the parenthetical phrase following the word "joint" to read "(between air carriers, between foreign air carriers, or between air carriers and foreign air carriers)" and (3) by inserting following the words "air carrier" wherever they appear in the subsection the words "or foreign air carrier." The effect of the above changes is to give the Board the same authority to suspend the rates and practices of an air carrier or foreign air carrier in foreign air transportation pending hearing as the Board now has in interstate and overseas air transportation. By striking the words "interstate and overseas" the Board is given authority to suspend, pending hearing, the operation of any tariff filed by an air carrier, and this would include tariffs to be effective in foreign as well as in interstate and overseas air transportation. The change in the parenthetical phrase is necessary to give the Board suspension authority in respect of joint rates between air carriers and foreign air carriers and between foreign air carriers in foreign air transportation as well as between air carriers. By inserting the words "or foreign air carrier" following the word "air carrier" wherever they appear in the subsection, the Board is given the authority to suspend the rates and practices of foreign air carriers in foreign air transportation pending hearing.

5. Section 5 of the bill amends subsection (i) of section 1002 of the act, which gives the Board power to prescribe through services and joint rates, by inserting the words "for air carriers" after the word "establish"; by striking out the words "interstate or overseas"; and by changing the colon following the word "operated" to a period and striking out the following: "*Provided*, That as to joint rates, fares, and charges for overseas transportation the Board shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges." The effect of inserting the words "for air carriers" and of striking the words "interstate or overseas" is to make the provisions of the subsection applicable to air carriers in interstate, overseas and foreign air transportation but not to foreign air carriers in foreign air transportation. The elimination of the proviso is necessary to prevent the anomaly of the Board's having less authority to establish through service and joint rates in overseas air transportation than in foreign air transportation.

Section 6 of the bill provides that the changes made in the act shall take effect 90 days after enactment of the legislation.

S. 1554. A bill to amend the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to regulate the depreciation accounting of air carriers.

The statement of purpose accompanying Senate bill 1554 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO AUTHORIZE THE CIVIL AERONAUTICS BOARD TO REGULATE THE DEPRECIATION ACCOUNTING OF AIR CARRIERS

In common with other regulatory acts, and carrying forward the provision of section 407(d) of the Civil Aeronautics Act, the Federal Aviation Act of 1958 directs that the Board shall prescribe a system of accounts to be kept by air carriers.

Under the authority of section 407(d) to "prescribe the forms of any and all accounts," the Board has proceeded, since its establishment, to prescribe the uniform system of accounts required to be kept by all certificated air carriers. The controlling purpose of such a uniform system of accounts is to provide the Board with financial statements which fairly reflect the financial condition of the air carrier, on the one hand, and the operating results of the carrier for a given period of time, on the other hand. The purpose of the system of accounts is to prescribe uniform practices which will provide, in general substance, comparable information in respect to each of the various carriers subject to the accounting regulations. Financial statements would, of course, be useless to the Board unless they fairly reflected the actual financial condition of the carriers and the actual operating results of the services performed for the period reported.

In the past, the Board has, in general, prescribed rates of depreciation as a part of its ratemaking process. The depreciation rates so prescribed through the ratemaking proceedings of the Board have generally been used by air carriers for accounting purposes. So long as the depreciation rates used by the various air carriers for accounting purposes fairly reflected the depreciation costs as determined in the rate proceedings, further prescription of these rates through accounting regulation would have served no useful purpose. Moreover, until recent years, the widespread dependence of the industry upon Federal subsidies necessitated the frequent review by the Board of the operating results of the carriers, including an appraisal of the reasonableness of charges to expense for depreciation on property and equipment which resulted in bringing the depreciation practices of the carriers under frequent review by the Board. However, with the emergence of a large part of the industry from dependence upon subsidy, the opportunity for such frequent review of the reasonableness of depreciation charges to expense by the Board no longer exists. Nevertheless, the need for reliable financial data from which to appraise the true financial condition and operating results of the various air carriers continues. In recognition of this need, the Board undertook to prescribe the depreciation accounting practices of air carriers by the issuance of appropriate regulations. (E.R. 224, adopted Nov. 18, 1957.) However, the Board's authority to issue such a regulation was challenged and appealed to the courts. The U.S. District Court for the Dis-

trict of Columbia sustained the action of the Board, but on appeal to the U.S. Court of Appeals for the District of Columbia Circuit this decision was reversed. The Board sought review of this decision by the Supreme Court, but that Court declined to take the case and the Board's application for writ of certiorari was denied on November 10, 1958.[1] Consequently, in order that the Board may effectively carry out its functions with respect to the depreciation accounting practices of air carriers, legislation is essential.

The requested legislation would not involve any departure from well established concepts pertaining to the regulated industries generally. On the contrary, it would bring the powers of the Civil Aeronautics Board in this field in line with similar powers already expressly given to other agencies such as the Interstate Commerce Commission, the Federal Power Commission, and the Federal Communications Commission. (See 49 U.S.C., sec. 20(4), sec. 220(c), and sec. 913(d), 15 U.S.C. 717h(a), 16 U.S.C. 825a(a), and 47 U.S.C. 220(b).)

Depreciation expense constitutes probably the most critical elements in the determination of the financial condition of a business inasmuch as, unlike virtually all other elements, it does not lend itself to objective physical measurement. Unless uniformly reported by the carriers in the manner recognized by the Board for regulatory purposes the Board will be left unprotected against potential misinterpretation of the reported data. This would necessarily follow from the fact that the Board's staff could not be reasonably expected to independently recast each carrier's report each and every reporting period on a time basis which would meet the Board's recurrent operating needs.

The amount of depreciation charged to expense involves the substance of the accounts, the control over which is necessary to provide financial statements that produce a fair presentation of the carriers' financial condition and operating results for the periods reported to the Board. Insofar as the impact upon the carriers' financial condition and operating results is concerned, improper charges to expense for depreciation would undermine the integrity of the financial statements in exactly the same manner as inaccurate charges for salaries, rents, and other operating expenses of the carriers. Depreciation is becoming an increasingly important operating expense for air carriers with the addition of new and more expensive aircraft equipment. Errors in the reporting of depreciation tend to accumulate over a period of years and are difficult to correct in the accounts of carriers once the inaccuracies have become rooted over an extended period of time. Improper reporting of depreciation expense will distort the accounts and financial statements of air carriers to such an extent that comparability will be seriously undermined or completely destroyed. Since the property and equipment on which depreciation is computed will continue in service over a period of years the distortion from misstatement of depreciation charges accumulates with the passage of time. Accordingly, the prescription of depreciation rates by the Board will prevent such comparative distortion and thus increase proportionately the relative reliability of the financial statements of certificated air carriers from the point of view of both the industry and the Board as well as the general public.

Vice Chairman Gurney is opposed to any legislation which would empower the Board to prescribe depreciation accounting practices of the air carriers. He believes that depreciation practices are primarily a function of management and any regulatory supervision over the details thereof constitutes an unnecessary interference with the operation of an air carrier. In view of the provisions of the Internal Revenue Code which afford business a choice of different methods of depreciation for tax purposes, he sees no reason for any additional legislation.

The letter presented by Mr. MAGNUSON is as follows:

CIVIL AERONAUTICS BOARD,
Washington, March 17, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: Pursuant to your request the Civil Aeronautics Board is pleased to submit to you its legislative program for the 86th Congress. The Board's program consists of 13 items as follows:

Item 1: To give the Board jurisdiction to impose civil penalties in additional cases.

Item 2: To authorize the issuance of certificates for supplemental service.

Item 3: To amend the judicial provisions of the act so as (a) to assure opportunity for the Board's participation and representation in court proceedings through its own counsel as a matter of right, and (b) to provide that nonrecord determinations of the Board shall be reviewable in the Court of Appeals.

Item 4: To authorize elimination of hearing in certain cases under section 408.

Item 5: To provide that Board investigators shall not give (1) expert testimony in private damage suits or (2) factual testimony with respect to aircraft accidents officially investigated by them if the information is reasonably available elsewhere or such testimony could have been given by a deposition.

Item 6: To prohibit certain practices regarding passenger ticket sales and reservations.

Item 7: To provide that the policy of the Department of Defense and other agencies of the Government, in arranging for air transportation, should be to utilize the facilities of civil aircraft to the maximum extent consistent with economical operations, the national defense, and national security considerations.

Item 8: To clarify and broaden the provisions of the Federal Aviation Act relating to the power of the Civil Aeronautics Board to audit the books and records of the domestic affiliates and associates of air carriers.

Item 9: To separate mail pay and subsidy.

Item 10: To amend the Federal Aviation Act in order to authorize free or reduced rate transportation for certain additional persons.

Item 11: To authorize the use of certified mail in place of registered mail.

Item 12: To give the Board authority over rates and practices in foreign air transportation.

Item 13: To authorize the Board to regulate the depreciation accounting of air carriers.

The Board appreciates your interest in its legislative program and hopes that expeditious consideration can be given to the enactment of these proposed bills during the current session of Congress.

The Bureau of the Budget has advised that it has no objection to the submission of these items.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

[1] *Alaska Airlines et al.* v. *C.A.B.*, case No. 3638–56, dec. June 25, 1957 (D.C.D.C.); rev. 257 F. (2d 229 (C.A.D.C., 1958); cert. den. Nov. 10, 1958.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. KENNEDY. Mr. President, on behalf of myself, and Senators ERVIN, HILL, COOPER, JAVITS, CHURCH, WILLIAMS of New Jersey, RANDOLPH, MURRAY, MORSE, MCNAMARA, CLARK, SPARKMAN, HUMPHREY, and ENGLE, I introduce a clean bill on labor-management reform. This morning the Committee on Labor and Public Welfare ordered this bill reported to the Senate by a vote of 13 to 2. Soon after the Easter recess, the report will be filed in the Senate, and I am hopeful that we shall be able to proceed promptly to its consideration.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

HOME GARDEN PROGRAM FOR NEEDY FAMILIES

Mr. COOPER. Mr. President, I introduce, for appropriate reference, a bill to provide a home garden program for needy families; and I ask unanimous consent that an explanatory statement be printed in the RECORD, and be followed by the text of the bill; and that the bill lie on the desk through Friday, March 27, in case other Senators desire to join in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Kentucky.

The bill (S. 1561) to establish a home gardening program to assist needy persons in supplementing their food supplies, introduced by Mr. COOPER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to establish a program for making grants to States to enable the States to assist needy persons to supplement their diets by growing home gardens.

SEC. 2. Grants under this Act shall be made only to States which shall have submitted to the Secretary a satisfactory plan for administration of such grants which shall—

(1) provide for the use of the funds so granted to make available to needy persons, particularly persons receiving or eligible to receive agricultural commodities under surplus food distribution programs authorized by section 32 of Public Law 320, Seventy-fourth Congress (7 U.S.C. 612c) or section 416(3) of the Agricultural Act of 1949 (7 U.S.C. 1431), supplies, materials, and technical advice and assistance necessary to enable them to plant and care for home gardens;

(2) designate one or more agencies or officials of the State to be responsible for carrying out such plan;

(3) provide that any agency or official so designated will make such reports as may be required by the Secretary concerning the expenditure of funds granted under this Act; and

(4) provide for cooperation with interested public or voluntary nonprofit organizations in carrying out such plan.

SEC. 3. (a) The Secretary shall apportion the sums appropriated pursuant to section 5 among the States on the basis of the number of needy persons, as estimated by the Secretary, in such States receiving agricultural commodities under surplus food distribution programs authorized by section 32 of Public Law 320, Seventy-fourth Congress (7 U.S.C. 612c) or section 416(3) of the Agricultural Act of 1949 (7 U.S.C. 1431).

(b) The Secretary shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States under the apportionments made pursuant to subsection (a). The Secretary of the Treasury shall, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts at the time or times specified by the Secretary of Agriculture.

SEC. 4. The Secretary is authorized to make available to State agencies or officials designated under section 2(2) such technical and other assistance as may be necessary to enable them to carry out the provisions of this Act.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 6. This Act shall terminate on June 30, 1960.

The explanatory statement presented by Mr. COOPER is as follows:

STATEMENT BY SENATOR COOPER

Thousands of people in eastern Kentucky and West Virginia, and in many other States, are hungry today. In the United States as a whole, over 5 million persons are receiving packages of cornmeal, flour, rice, and dried skim milk from Government surplus stocks. In Kentucky some 250,000 persons are among this number. Without these meager supplies, many would be starving. Even with this food from Government surplus stocks, the situation of many families is appalling—especially in a country known for its production of food and its general prosperity.

Hunger, and actual starvation, at any time and place requires us, as a people of religious belief, living in a land of plenty, to extend help. And where hunger exists at home, it is intolerable, and cannot be ignored.

The fact remains that many thousands are unemployed, and have exhausted their unemployment compensations. Others are old and infirm, incapacitated, or otherwise must depend on relief. Their first requirement is food.

Since last fall, I have urged the Secretary of Agriculture, and since January I have urged the Congress, to provide a better variety of food to needy persons in this country—to supplement the drab and meager staples available from Government-owned stocks, which is all that many of these people have to eat, day after day. I hope that action to do so will be taken promptly.

Now it is spring. Most of these needy people are not helpless. They want to work, and to help themselves. In Harlan County, Kentucky, for example, officials in charge of the food distribution program are asking 17,000 recipients of surplus food if they will grow a garden—provided seed and other minimum essentials can be obtained. Magistrates are organizing plowing teams to prepare the ground for home gardens among the needy in their communities.

We all recall the victory gardens of World War II—when 20 million family gardens produced 42 percent of the fresh vegetables consumed in this country. Eight million tons of fresh vegetables were produced annually in victory gardens during the war, and in 1945 housewives canned nearly 3½ million tons of fruits and vegetables. This tremendous program was carried out by local and individual initiative, under the guidance and leadership of the Department of Agriculture.

I urge that this approach be used to help our thousands of hungry families help themselves. I propose home gardens—from which needy persons and families can add to their means homegrown fresh vegetables and greens. Such home gardens could also provide fruits and vegetables for canning, to supplement their diets next winter.

I ask the Secretary of Agriculture to immediately explore means of encouraging such an effort—and to provide information and assistance to needy families who wish to raise a family garden.

It may be that no new authority or appropriation is needed for such a worthwhile program. But because these people are known to have few, if any, resources, I believe in most cases they will need to be given seed, perhaps some fertilizer, and certainly advice and information. The cost of these minimum essentials is small. A few pennies will buy seed which can provide a second helping of food—fresh garden vegetables to put on their plates alongside the first helping of cornmeal mush or rice they now have.

I propose that a modest sum—perhaps amounting to $1 per person on surplus food rolls last year—be allocated to the States so that they can immediately take steps to make available to needy counties and needy persons the minimum essentials for planting and growing home gardens. I can think of no expenditure which could produce such proportionately large results—no modest effort which could do more real good—than encouraging home gardens for hungry families.

There may already be funds available in the Department of Agriculture which could be used for this purpose. Or the President may have funds which could be allocated to assist the States which wish to launch a home garden program this spring. We already provide emergency feed for livestock in disaster areas. I ask that we at least provide seed to grow food for people in emergency areas like that declared by the Governor in 25 eastern Kentucky counties.

If authority and funds cannot be found, I will introduce a bill to provide them. I have already talked to a number of leaders who were associated with the victory garden program. I believe civic and community groups, clubs, farm groups, private business, and State and local organizations would be glad to help in such a human effort.

I have in mind a home garden program under the leadership and guidance of the Department of Agriculture, carried out by the States, which are most familiar with the problems of their communities and the needs of their people. In extending a home garden program to needy people, the State agencies already handling the food distribution program could be used. I am sure that the land-grant colleges in each State could give advice as to the kind of gardens most suitable for each area, and as to the essentials which may need to be supplied for successful home gardens. The Extension Service, through the county farm agents, could provide invaluable advice and guidance locally. I have no doubt that many others will want to help, and that the States can coordinate the efforts of civic and private groups.

Home gardens for needy families would provide food—and food of exactly the kinds needed to supplement the few staples they now receive. Home gardens would give these people hope—not only the satisfaction and hope of helping themselves, but through the very act of working with the miracle of growth. In many cases, garden projects would add the dignity of constructive effort to the lives of those confronted by lack of work.

People who know how to produce their own food are never defeated, for they have a source of strength which springs from the soil. We need to support that tradition of self-reliance, and that independence of spirit which meets the future with confidence—but which is eroded by lack of work, and especially by hunger.

I hope the Secretary of Agriculture, or the Under Secretary, who also has a special regard for people in need, will proclaim a home garden program for surplus food recipients. I know he can mobilize the Extension Service and other interested agencies to carry it forward successfully, just as was done with the much more ambitious victory gardens. In fact, I believe there is a garden program now for each State, maintained by the Extension Service, which could quickly be adapted for this purpose.

I congratulate the people of Harlan County, Ky., for their initiative in coming forward with this great idea. And I commend to my colleagues the merits of such a self-help program for the needy persons and unemployed in their own States.

AMENDMENT OF FEDERAL COAL MINE SAFETY ACT

Mr. COOPER. Mr. President, on behalf of myself, the senior Senator from Virginia [Mr. BYRD], the junior Senator from Virginia [Mr. ROBERTSON], and my colleague from Kentucky [Mr. MORTON], I introduce, for appropriate reference, a bill to amend the Federal Coal Mine Safety Act. I ask that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1562) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals, introduced by Mr. COOPER (for himself, Mr. BYRD of Virginia, Mr. ROBERTSON, and Mr. MORTON), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That section 201(b) of the Federal Coal Mine Safety Act be amended to read as follows:

"This title shall not apply to any mine in which no more than fourteen individuals are regularly employed underground, except that the following provisions shall apply to such mines: Sections 201; 203(a); 204; 205; 207 (a), (b), (c), (d), (e), (f), (i), and (j); 208; 210; 211; 212(c); 213; 214; 215. The provisions of section 203 (e) and (f) shall be applicable to such mines without regard for the requirement of a State approved plan."

SEC. 2. Add a new title III as follows:

"TITLE III—STUDY AND SURVEY OF MINE SAFETY BY BUREAU OF MINES

"SEC. 301. (a) The Bureau of Mines is directed to make a survey and study of mine

safety for all mines covered by this Act. Hearings shall be held in each State which produced as much as two million tons of coal during either the years 1955 or 1956. Appropriate notice shall be given to the Governors of such States, the official in charge of the mine safety program of such State, and to employers and representatives of employees. Hearings shall also be held in the District of Columbia after giving appropriate notice.

"(b) The Bureau of Mines will prepare separate tables for title I and title II mines, by States, showing among other things:

"(1) Number of mines;

"(2) Number of employees;

"(3) Number of man-hours of work in mines under each title;

"(4) Production of coal in mines under each title;

"(5) Fatalities and causes of each for each year beginning with the calendar year 1946, where records are available;

"(6) Injuries in title I and title II mines with their causes, for each year beginning with the calendar year 1946;

"(7) Number of violations reported for title I and title II mines, for each year beginning with the calendar year 1946.

"(c) The Bureau of Mines will in conjunction with State mine safety agencies, make a study of (1) the incidence and causes of roof and rib falls, and measures which it recommends to reduce and prevent such rib and roof falls; and (2) educational training programs. The findings and recommendations of the Bureau shall be submitted to the appropriate State officials and to the appropriate committees of the Congress.

"(d) The Bureau of Mines will make a study of safety conditions in mines employing fourteen or fewer employees to determine if the provisions of the Act now applicable to title II mines are properly applicable to title I mines in the sense that they would materially improve safety conditions in such mines, safety being the primary consideration of such study, but taking into account the cost of said measures, the economic effect on such mines, including their ability to remain in production and compete with title II mines, if all or any part of the provision of this Act or the Mine Safety Code should be made applicable to title I mines.

"(e) The Bureau of Mines shall report its findings and recommendations to the President, the Secretary of Interior, the President of the Senate, and the Speaker of the House within 6 months after enactment. It shall provide copies of its findings and recommendations to the Governors and mine safety agencies of all affected States within four and one-half months after enactment, with the request that they report to the Bureau their comments and recommendations on such reports by thirty days thereafter. Copies of such State reports shall be included in the report of the Bureau."

Mr. COOPER. Mr. President, section I of the bill would make applicable to all coal mines—regardless of the number of employees—the provisions of the Federal Coal Mine Safety Act, which authorizes a Federal mine inspector to order the withdrawal of all miners from a mine when he finds "danger that a mine explosion, mine fire, mine inundation, or man-trip or man-hoist accident will occur in such mine immediately or before the imminence of such danger can be eliminated," and to prohibit their reentering the mine until the danger has been eliminated.

Such power to withdraw miners and to keep a mine closed cannot today be exercised by a Federal mine inspector in mines employing 14 or less persons, even though imminent danger exists—danger which could cause injury or death to miners.

According to the table submitted in the course of hearings last year by the Honorable Marling J. Ankeny, Director, U.S. Bureau of Mines, there were in 1957, 7,659 mines employing 14 or less persons; and thousands of miners are employed in such mines. Section I of my bill would extend to these miners the protection against imminent danger that the Federal Coal Mine Safety Act now extends to larger mines—those employing more than 14 persons.

Questions always arise as to procedures by which a mine may be reopened and its miners returned to work, after it has been closed because of conditions which create imminent danger.

Under the Mine Safety Act, unless the State has a safety plan which has been approved by the Bureau of Mines, exclusive jurisdiction and power to reopen a mine or to order it to remain closed is maintained by the Federal Government through the Bureau of Mines, subject to review by the courts.

In all such cases, a mine owner and miners who had taken steps to correct the dangerous conditions, and who believed the mine safe for reopening, would be compelled to present their case, if reopening was denied by a Federal inspector, through a difficult and expensive chain of procedures. In many instances the small mine owner would be unable to undertake this very complicated procedure.

The bill I introduce provides a speedy and fair procedure for determining whether conditions of imminent danger in a closed mine have been corrected, and whether the mine is ready for reopening. It is the exact procedure now provided in the Federal Mine Safety Act for mines employing over 14 persons, when the State has a mine safety plan that has been approved by the Bureau of Mines.

I shall explain this procedure by referring to the language used by the Committee on Labor and Public Welfare in Senate Report No. 1963, dated July 25, 1958, which states that presently, under section 203(e) of the act, if a State has a State plan that has been approved by the Bureau of Mines, the operator of a mine that has been closed because of danger of imminent disaster may request an inspection of the mine by a State inspector. If the State inspector does not concur in the closing order, the mine must remain closed; but the owner of the mine may make application to the chief judge of the U.S. district court for the district in which the mine is located for the appointment of an independent inspector to inspect the closed mine. Unless the appointed inspector concurs in the closing order, it ceases to be effective, and the mine may be reopened. The committee amendment makes this review procedure applicable to presently exempted mines ordered closed under the provisions of the amendment, without requiring, as a condition of resorting to this procedure, that the State in which the mine is located have or adopt a State plan approved by the Bureau of Mines.

Section II of the bill I now introduce is very clear. It would direct the Bureau of Mines to make a study of safety conditions for all mines, regardless of the number of miners employed. Hearings would be held in the major coal-producing States, so that State mine-safety officials, miners, unions representing miners, and mine operators in each of said States would have the opportunity to testify about conditions in the mines of their State, and to make recommendations to improve mine safety.

In addition, this bill would direct the Bureau of Mines to conduct a study of mine safety, with special emphasis on the major cause of mine accidents—namely, roof and rib falls. It would also require a study of educational and training programs for mine employees on safety measures.

During the hearings last year on amendments to the Federal Mine Safety Act, one amendment proposed would have applied all the provisions of the Federal Mine Safety Act to every mine. Small mine owners testified that many of these provisions were not applicable to small mines, and that they would not increase safety. They testified that to require by law small mines to undertake unnecessary expenditures would put many small mines out of business and would throw thousands of miners out of work.

I cannot say definitely that this would be the case; but I believe that the Congress should not take drastic action without knowing whether it is necessary to improve mine safety. Unemployment, hunger, and every other element of want and distress prevail today in the coal-mining areas of Kentucky and other States. If, before we obtain the facts, other mines are closed unnecessarily by our action, we shall contribute to this distress, and we may deny to the States an opportunity to recover their natural wealth in coal.

Mr. President, I do not believe that any responsible Member of this Chamber or, indeed, any other responsible person in the United States does not honestly and sincerely support the principle of increased mine safety. Only last year the Committee on Labor and Public Welfare found that there was a lack of reliable and convincing statistics upon which to base constructive legislation on this very important and vital subject. We concluded that it would be most useful—and in fact essential—to have the Bureau of Mines conduct hearings in the States with the Nation's heaviest concentration of coal mines, and to report its findings, in order that we might legislate intelligently on the matter. We recognized, however, that Federal inspectors should not be hindered when, in their judgment, there was a danger of serious disaster in permitting operation of any mine—without regard to its number of employees.

Mr. President, that was why we included the provision to enable a Federal inspector to close a mine whenever a condition of imminent danger was found to exist. I am sorry that provision was not enacted. If it had been, some of the disasters which recently

have occurred might have been prevented.

Only a few days ago there occurred in Tennessee a mine disaster in which eight or nine lives were lost. I cannot say that if the bill we reported last year had been enacted, that accident would have been prevented; but I can say that the enactment of that bill or the enactment of a similar bill will help prevent similar accidents in the future.

Mr. President, the problem of amending the Coal Mine Safety Act was before the Committee on Labor and Public Welfare in the last session of Congress, and was thoroughly debated and considered. The committee concluded, on the basis of its study that the steps outlined above were essential and it reported to the Senate a bill identical to the one I have introduced today. The sole change that has been made is in the date by which the Bureau of Mines must conclude its study and must report to the Congress. Whereas the bill reported last year called for a report to be submitted by February 15, 1959, our bill requires a report within 6 months after enactment.

I am proud to sponsor this proposed legislation which, when enacted, will improve and make safer the conditions under which the Nation's miners work, and will authorize the best and the quickest study possible, in order to make further improvements in mine safety.

Mr. President, the report issued by the Committee on Labor and Public Welfare during the last session of the Congress summarizes succinctly and completely the provisions of our bill. I ask unanimous consent that excerpts from that report be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the excerpts from report No. 1963, 85th Congress, 2d session, were ordered to be printed in the RECORD, as follows:

AMENDING THE FEDERAL COAL MINE SAFETY ACT

The Committee on Labor and Public Welfare, to whom was referred the bill (S. 3290) to amend the Federal Coal Mine Safety Act (30 U.S.C. 471), having considered the same, report favorably thereon with an amendment and recommend that the bill do pass.

BACKGROUND OF THE BILL

Congress has since 1865 recognized the hazardous nature of coal mining. In 1910 on the heels of a number of serious coal mine disasters, Congress established in the Department of the Interior, the Bureau of Mines, and assigned as one of its important functions the promotion of health and safety in the minerals industries.

Despite the efforts which have been made over the years by employers, miners, State agencies, and the Federal Government, mining still remains a hazardous occupation. The prevention of major accidents or disasters requires constant and strict adherence to established safety standards. In recognition of this fact, Congress enacted in 1952 amendments to existing law which directed the Federal Bureau of Mines to undertake certain mine safety inspections and establish standards therefor. The amended Mine Safety Act authorized Federal inspectors to close mines in which there was imminent danger of a mine explosion, mine fire, mine inundation, or man-trip or man-hoist accident. It further authorized Federal mine inspectors to inspect all coal mines with respect to a large number of safety provisions specified in section 209 of the statute. These safety provisions cover such matters as roof supports, permissible equipment, ventilation, permissible explosives, and so forth. When a mine inspector finds a violation of these provisions in mines employing more than 14 men underground, he directs the mine operator to correct the deficiency within a certain time. If this is not done the mine may be closed.

In writing the Federal Coal Mine Safety Act, Congress exempted mines employing 14 or fewer men underground (sometimes referred to as title I mines) from the provisions of the act which authorize Federal inspectors to close a mine if they find—

(1) imminent danger of a fire, explosion, inundation, etc.; or

(2) failure to correct conditions previously indicated as not being in conformity with the safety provisions set forth in the act.

The bill, S. 3290, as originally introduced and upon which hearings were held by the Subcommittee on Labor of this committee, provided for the repeal of this exemption for small mines.

EFFECT OF THE COMMITTEE AMENDMENT

The committee amendment, instead of repealing the exemption for 14-man or smaller mines as proposed by S. 3290 in its original form, retains the exemption, but makes such mines subject to the provisions of section 203(a) which permits the closing of a mine where there is imminent danger of a serious accident, and all of the other sections of the act which are necessary to carry out and give effect to such provisions including the provisions for administrative and judicial review. The committee amendment, therefore, retains the present exemption of title I mines from mandatory compliance with the requirements and standards of section 209. However, if the conditions in any such exempt mine are such as to create an imminent danger of any of the five disasters enumerated in section 203(a) then the provisions of that and other relevant sections of the act requiring the immediate closing down of such mine shall be applicable.

The committee, in its amendment, did provide for one procedural change in connection with exempted mines which might be ordered closed down pursuant to the committee amendment under section 203(a) because of danger of imminent disaster. Presently, under section 203(e) of the act, where a State has a State plan approved by the Bureau of Mines, the operator of a mine closed down because of danger of imminent disaster may request an inspection of such mine by a State inspector. If the State inspector does not concur in the closing order, the mine must remain closed but the owner of the mine may make application to the chief judge of the U.S. district court for the district in which the mine is located for the appointment of an independent inspector to inspect the closed-down mine, and unless he concurs in the closing order, it ceases to be effective and the mine may be reopened. The committee amendment makes this review procedure applicable to presently exempted mines ordered closed down under the provisions of the amendment without requiring as a condition of resorting to this procedure that the State in which the mine is located have or adopt a State plan approved by the Bureau of Mines.

The committee further amended the act by adding a new title III directing the Bureau of Mines to make a detailed and exhaustive study of mine safety for all mines covered by the act, to hold hearings in this connection in the principal coal-producing States, and to report its findings and recommendations to the Congress and the President of the United States by February 15, 1959. Among the matters to be examined and set forth in the course of this study are a comparison by States between mines with fewer than 15 individuals employed underground and those with more, with respect to the number of mines in each category, number of employees, number of man-hours of work, fatalities and their specific causes as well as nonfatal injuries for each year beginning with 1946, and the number of reported violations of established safety standards for the same period.

In addition, the Bureau is directed, in conjunction with the appropriate State agencies, to make a study of the incidence and causes of roof and rib falls, to recommend measures to reduce and prevent such roof and rib falls, and to study existing educational and training programs in mine safety.

Finally, the Bureau is required to make a study of safety conditions in mines employing fewer than 15 individuals underground to determine if the provisions of the act are properly applicable to such mines which are presently exempted, in the sense that such application would materially improve safety conditions in such mines, safety being the primary consideration, but taking into account the cost to the mine owners of applying these provisions, the economic impact on such mines, and their ability to remain in production and compete with nonexempt mines if any or all the provisions of the act should be made applicable to them.

Consistent with its primary concern for the safety of human beings working underground in coal mines, the committee amended bill makes applicable to all underground coal mines, without exception, the summary procedures of the act for closing down a mine which presents an imminent danger of serious accident or disaster while providing an equally summary procedure to guard against arbitrariness in the issuance of such closing orders.

In so doing, the bill as amended makes it possible to proceed with an authoritative study to determine whether all of the provisions of the act should be made applicable to the smaller mines which are presently exempted. The testimony which the committee received from those who favored the complete elimination of the present exemption was not conclusive.

Very little authoritative information was presented regarding the economic effects of applying all of the provisions of the act to the smaller mines which are now exempted. The committee, of course, would not hesitate to recommend the application of all of these provisions to such mines, regardless of economic effect, if it were convinced that this would result in increasing safety and eliminating mine disasters with their accompanying injuries and fatalities.

In the light of the inconclusive character of the testimony in support of the proposal to repeal completely the present exemption, the committee preferred to take the steps safeguarding against dangers of imminent disaster while simultaneously providing a method to secure the data necessary for the Congress to legislate intelligently in the near future. The committee believes that the bill as reported accomplishes these purposes.

DESIGNATION OF THE BLACK-EYED-SUSAN AS THE NATIONAL FLOWER

Mr. BEALL. Mr. President, I introduce, for appropriate reference, a joint resolution designating the black-eyed-susan as the national flower of the United States.

Today, Mr. President, is Maryland Day, and it is fitting that on this day Maryland's State flower be proposed as our national flower.

This is the 325th anniversary of the birth of the great Free State of Mary-

land. Maryland became known as the Free State for good reason. It was founded by colonists who landed on March 25, 1634, at a Potomac River island just off where St. Marys City now stands—and one of the first edicts by which the colonists were governed was that every person had the right to worship according to the dictates of his own conscience. This emphasis on freedom of religion became an important part of the ideals and principles of our people. As a matter of fact, the idea of freedom which permeates the American Constitution came from the Maryland Act of Toleration of 1649. The Free State of Maryland celebrates its birthday today, and freedom loving Americans everywhere recognize the importance of this day in American history.

Symbolic of the spirit of our forefathers is the flower, the black-eyed-susan. Our forefathers were immigrants; so is the black-eyed-susan—an immigrant in Maryland from the West. In 1918, it was designated the State flower of Maryland, birthplace of our national anthem.

The black-eyed-susan is symbolic of the spirit of women and of their helpfulness in the founding of our great Republic. It is suggestive of man's appreciation of the peaceful influence of women in world affairs. Black-eyed-susans are beautiful flowers. The black and gold and red, white, and blue make a magnificent color combination. Black-eyed-susans grow well in every State of the Union.

We have heard proposed here the subsidized corn tassel; the lowly grass; the poor, overworked rose; the tough, repelling marigold. But we need look no further. Here I suggest the black-eyed-susan, an appropriate and worthy national flower for the United States.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 82) designating the black-eyed-susan as the national flower of the United States, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADVISORY COUNCIL ON NATIONAL SECURITY

Mr. JAVITS. Mr. President, I am about to introduce a joint resolution, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDING OFFICER. Without objection, the Senator from New York may proceed.

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Minnesota [Mr. HUMPHREY], I introduce, for appropriate reference, a joint resolution to provide for the establishment of an Advisory Council on National Security, to be composed of 25 of—I hope—the most distinguished people in the country, including all living former Presidents, which means, of course, former President Hoover and former President Truman.

Mr. President, I introduce the joint resolution because it seeks to address itself to one of the very grave fundamental problems we face, namely, how best to arouse the American people to a realization of the real issues and the real sacrifices and the actions of a major national character which are required in order effectively to deal with the cold war struggle.

Most observers are satisfied that we are not in that posture, which in our case might be called a form of moral rearmament, for the course of freedom deserves this kind of support. But, somehow or other, people simply are not alerted to it.

A survey was made of the critical situation in Berlin. It shows that a majority of the people support the President, but many people are misinformed or uninformed in that connection.

Mr. President, the critical position in which the United States finds itself today has already called for a mobilization of our youth, our scientists, and the best abilities of citizens from every sector of our national life. Today, we find ourselves in a world position which requires such a utilization, at the very least, of all our intellectual capabilities and resources. The time has come to look for means by which we can make available to the President, the executive department, and the Congress the best minds of the Nation, with the widest range of experience secured through distinguished service in the past, the specialized abilities developed in varied aspects of human activity, and a continuing evaluation of national viewpoints and developments.

Our times are exposing some of the tremendously vexing problems which face the people of the United States as our country necessarily takes up the role of free world leadership. Among these problems are:

First. Is our total defense posture geared to a level which will deter a potential aggressor from launching a nuclear war in the years ahead?

Second. What growth rate, in terms of national productivity, will sustain an adequate rise in the standard of living in the United States, while enabling us to meet our responsibilities for defense and for winning the peace abroad?

Third. What policy toward colonial areas and dictatorial governments within the free world must the United States evolve to keep the perimeter of the non-Communist world from shrinking and to safeguard Africa, Asia, and Latin America from Communist subversion or infiltration?

Fourth. What should be the United States position, in order to bring about a disarmament agreement, or an agreement on testing of nuclear weapons or on surprise attack?

Our attitude toward Red China; East-West trade; foreign aid and technical assistance; international exchanges with the satellite nations; the future of NATO, which now is entering its 10th year; disengagement or a nuclear free zone in Central Europe—all these are important and complex parts of the total cold war challenge which must be met now.

In order to help the activities of our President, our National Security Council, and all our other governmental bodies we need—because apparently the job has not been done—to utilize in the cold war struggle the vast reservoir of skill and experience which is not in the Federal Government at any given time. Our ex-Presidents, Mr. Truman and Mr. Hoover, are the best examples of this. To them may be added military leaders, now retired, of outstanding capacity who enjoy great national prestige, civilians who have held important places in our Government, and others who are high in the estimation of the people.

Their names will be on the lips of everyone, when a matter of this importance is considered. Such an advisory council could be of indispensable aid to the President, in addition to the National Security Council which is the President's staff agency on these very matters, and therefore cannot make available its conclusions to the public. Yet there is a deep need on the part of our citizens for a high-level advisory view on just what is needed to win the cold war.

Therefore, I have introduced the joint resolution to establish an Advisory Council on National Security, consisting of all living ex-Presidents of the United States and 25 other leading citizens, 13 to be appointed by the President of the United States, and 6 each by the President of the Senate and the Speaker of the House of Representatives. The bipartisan membership of the Council is to consist of citizens from the professions, public service, management, labor, agriculture, the sciences, education, investors and consumers.

In other words, Mr. President, there are available in our country outstanding persons of very great ability. Many of them formerly served in the Government Some never have. It is time for us to use them in this struggle. The joint resolution which I have introduced, on behalf of myself and the colleagues I have mentioned, who have so graciously joined me in introducing it, is a suggestion.

Under the terms of the joint resolution, the Council is to recommend to the President, and other executive officers designated by him, programs for the establishment and implementation of national policies to meet the responsibilities and dangers faced by the United States in the world struggle for free institutions. In addition, it is required to file semiannual reports of its activities and recommendations to the President and to the Congress.

During the two World Wars in which this Nation has been engaged, we have called upon executives of industries, leaders of labor and of the press, scholars from the universities, and men in every walk of life and field of experience whose abilities could serve the Nation in its hour of need. We are again in a time of crisis and should again avail ourselves of such assistance.

The organizational problem which I am trying to meet is one of the most difficult we have in the organization of our Government. I have consulted with many outstanding authorities about this matter and the solution which I suggest is by no means free from difference of opinion. But the need is also considered to be indispensable. Accordingly, I hope that it will be considered a contribution if the discussion can now take up a practical idea such as this one as a starting point for endeavoring to ascertain how we can best introduce what seems to be a missing link in our total cold war effort, and it may be that some will prefer a form or organization involving the State Department's Policy Planning Staff or the National Security Council. Legislation will in any case probably be required. I therefore urge congressional consideration of this whole question with a view toward more effectively conducting the cold war and more intimately engaging in it the people of the United States, and that is, I emphasize, the whole purpose of this approach.

It has been emphasized time and again that we should pursue our international policy not solely in reaction to the cold war effort but out of the need to help build a just, prosperous, and peaceful world with equality of opportunity for all and the enjoyment of the highest values of which we are capable in cultural, moral, and ethical experience. It is upon this level that the American people, I know, wish to pitch their effort and I submit that we need to work out governmental techniques which will call forth this kind of spirit. I am making a suggestion along this line in the hope of stimulating congressional consideration which will lead to a wise solution.

I am deeply convinced that the prophets of doom who believe that the American people have lost their interest, courage, and enthusiasm for the cold war struggle, are dead wrong. Yet, Admiral Rickover who has warned of softness in our national life and organization as a serious danger in the cold war struggle is obviously right because we face the peril of not knowing exactly what each of us can and should do in the cold war.

The President of the United States, whom I highly honor, and I have been one of his most devoted followers, has often said the implications of this struggle are apparent to many Americans who live hundreds of miles from Washington, D.C. However, there remains a vital need on the part of our citizens to clearly understand the means necessary to the achievement of our objectives in this struggle. They can best be presented to our citizens through the coordinated viewpoint of an advisory body on the highest level of American public life. The time has come for the United States to mobilize the brainpower, the vitality, the vigor, and the skills of outstanding Americans from every field of endeavor who have broad experience and proven judgment in matters involving the national interest.

We have in a number of areas much more limited than those I propose to cover established such advisory councils. We have advisory councils on foreign information and education programs, on atomic energy development, on foreign aid, and on education. The President himself has established by Executive order on March 13, a Federal Council for Science and Technology, which, similar to the National Security Council, gathers the abilities and facilities of governmental agencies in the field, to recommend policies and measures dealing with this area of national activity.

However, this approach is again limited, not only in area, but also by restricting its membership to intragovernmental personnel. This is also the problem of the Security Council, and I proposed, last year, to have the National Security Council contain some public members to overcome this deficiency. The Advisory Council which I now propose is, I believe, an approach to this national need well worth considering.

I ask unanimous consent that the joint resolution may lie on the desk until the close of business tomorrow, so that other Members of the Senate who may feel so moved may join in it.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from New York.

The joint resolution (S.J. Res. 83) to provide for the establishment of an "Advisory Council on National Security," introduced by Mr. JAVITS (for himself, Mr. COOPER, Mr. DOUGLAS, and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on Armed Services.

DESIGNATION OF MARCH 25 OF EACH YEAR AS GREEK INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, today marks the 138th anniversary of the beginning of the Greek War of Independence in which the people of Greece undertook the struggle to achieve their freedom from the Ottoman Empire. In 1827 victory was achieved and Greece was set up as an independent nation.

The basic ideals of the Western World can in large measure be traced back to Greece. At this time when the traditions of freedom are being challenged by the forces of communism, it is appropriate that we salute this fine country.

To mark this occasion I introduce, for appropriate reference, a joint resolution authorizing and requesting the President to designate March 25 of each year as Greek Independence Day. A companion resolution is being offered in the House of Representatives by JOHN BRADEMAS, of Indiana who is the first person of Greek descent to serve in the Congress.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 84) providing for the issuance of a proclamation designating March 25 as Greek Independence Day, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on the Judiciary.

TRIBUTE TO ROBERT FROST ON HIS 85TH BIRTHDAY

Mr. PROUTY. Mr. President, on behalf of myself and 60 other Senators, I submit a resolution which represents a tribute to Mr. Robert Frost, one of the Nation's most illustrious and best loved men of letters. I ask unanimous consent that the resolution be read by title, for the information of the Senate.

The PRESIDING OFFICER. The clerk will read, as requested.

The CHIEF CLERK. A resolution extending birthday greetings of the Senate to Robert Frost.

Mr. PROUTY. Mr. President, on Thursday of this week America's great poet-philosopher, Robert Frost, will celebrate his 85th birthday.

He is a distinguished citizen, not only of my State, but also of the Nation and the world.

During the past half century, Robert Frost has become perhaps the best known poet now writing in the English language. His life and his works have become a part of the contemporary American story, and need no added glorification on this occasion.

"As poet and as man, Frost has proved himself native to the grain of the American idiom." These words of Prof. Lawrance Thompson, of Princeton University, explain one reason for my resolution.

A predecessor of Mr. Frost as Consultant in Poetry in English to the Library of Congress, Mr. Randall Jarrell, has said:

> Frost's virtues are extraordinary. No other living poet has written so well about the actions of ordinary men.

That explains another reason for my resolution, Mr. President.

Writing in the New York Times Book Review of March 22, 1959, J. Donald Adams describes Frost as "one of the most lovable of men and, though he would be the first to disclaim the adjective, one of the most admirable in character also."

That explains the third reason for my resolution, Mr. President.

Mr. Adams concludes his article with the following paragraph:

> I can think of no better tribute to Frost on his coming birthday than for every American who admires his work to write a letter to the Nobel Prize Committee, asking why our foremost poet has not yet been recognized in Stockholm. It is a recognition long past due, and time flies on ever swifter wings.

Mr. President, the awarding of the Nobel Prizes is outside the prerogatives of the U.S. Senate. But the unanimous adoption of this resolution will inform Mr. Frost and the world of the esteem in which this great American poet is held by the Members of this body.

Mr. President, I ask unanimous consent to have my remarks immediately followed by an article entitled: "A Native to the Grain of the American Idiom." The article was written by Lawrance Thompson, and appeared in the March 21, 1959, issue of the Saturday Review.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Review, Mar. 21, 1959]

A NATIVE TO THE GRAIN OF THE AMERICAN IDIOM

(By Lawrence Thompson, a professor of English at Princeton University and has been for years a biographer of Frost)

Ten years ago, when the U.S. Senate helped celebrate Robert Frost's 75th birthday by extending to him the formal "felicitations of the Nation which he has served so well," many of his friends urged that the bard had earned his right to retire from any further demands of an adoring public so that he might tend his own Vermont and Florida gardens in peace. They should have known better than to wish him that kind of retirement or to imagine that even if he had tried to escape he would have been left alone. Instead, during the past 10 years, he has extended his value to us in so many new ways and with such characteristically saucy wit and seriousness as to bring new glory not only to himself but also to his country. So with gratitude as well as love we salute him on his 85th birthday as our most renowned and our most cherished poet.

If we wonder why the Nation at large has responded, as it has with new warmth to Robert Frost in recent years after we might have assumed he had already achieved an enviable zenith of esteem, one answer might be that during this our latest period of national uncertainty and self-doubt, he has remained ("though by a world of doubt surrounded") a steadfast witness tree to that kind of traditionally guarded Yankee optimism and confidence that we have so largely lacked and needed.

At such a time, if his cautious affirmations had sounded to us like merely cheerful whistlings in the dark he could have done nothing for us except annoy. Yet the older he has grown, the more widespread our national conviction that he has always looked steadily at the worst and yet, while becoming well acquainted with the night, has never lost his knack for seeing beyond. The contagious element of that courage based on 85 years of tough experience has become written so deeply into the lines of his face and his poetry that we now should know the two are one.

So perhaps the most genuine form of tribute we can pay Robert Frost on his 85th birthday is to improve our awareness of his life work as a double metaphor. Without trying to tackle the involved problem of relationships between simplicity and complexity in either the man or his art we can at least rediscover the perennial pertinence of his basic poetic themes. But before we take bearings in that restricted direction we may proudly glance back over just a few highlights of what has happened to him during the past decade.

Last year, when Frost was named Consultant in Poetry to the Library of Congress, that appointment was hailed by some as the equivalent of naming him our Poet Laureate even though a few of his critics publicly expressed the fear that the growing popularity of his personality might eclipse the significance of his poetry. The ambiguous banter of his wit during his few press conferences at the Library of Congress ought to reassure anyone that there is no danger of his taking himself too seriously: "My ironies don't seem to iron anything out. Things stay about the same after I'm finished talking."

Almost 10 years ago, shortly after his 75th birthday, his "Complete Poems" received the award of a gold medal because a poll of leading critics had voted it a work "most likely to attain the stature of a classic." While few poets have thus been honored by such a prediction during their lifetime, the hazard of that guess involved no great risk because many of his lines have already passed over into our language as familiar quotations. Having expressed the modest hope that a few of his poems might "stick like burrs not easily dislodged," Frost may find this reflexive tribute more meaningful to him than all the recent awards of medals and prizes.

Collectors of rare books provided another memorable measure of esteem for him in December of 1950 when a unique copy of his first volume of poems ("Twilight," privately printd in 1894) brought $3,500 at public auction. Quite clearly, his works have already attained the classic stature among the collectors.

While his countrymen were variously honoring him at home, and while he was becoming better known to both younger and older generations as he continued his readings on television and also to capacity audiences across the country, Robert Frost was invited to extend his bardings overseas. During the summer of 1954 he spoke and read as a representative of the United States at a commemoration of the 400th anniversary of the University of Sao Paulo, in Brazil. Three years later, Oxford and Cambridge invited him to England to receive honorary degrees. That pair of invitations helped him round out one phase of his career in that he was thus able to return with acclaim to the soil where he had been completely unknown when he had published his first book of poems in London, in 1913. This time, he stayed long enough to read and talk before enthusiastic listeners in always crowded halls, not only at Oxford and Cambridge, but also at the University of Durham (which had previously awarded him an honorary degree in absentia), at the University of Manchester, and at the University of London. English poets and prose writers arranged many cordial receptions for him. Climatically, the English Speaking Union spread a banquet in his honor and the toast of praise was there made with genuine affection by his own former countryman and fellow-poet, T. S. Eliot. But Frost did not come directly home from England. Priding himself on his inherited Scotch-Gaelic background, he also took pleasure in crossing the Irish Sea to receive an honorary degree from the University College in Dublin. As an informal ambassador of good will during these various occasions he served his nation with distinction.

(A typical side-view: While Frost has very little use for any academic regalia, his Yankee practicality has found sensible service for all those multicolored silk hoods heaped on his broad shoulders while he has been acquiring some forty honorary degrees. He has had the hoods cut up into appropriate-sized squares and sewn together as elegant coverings for a pair of patchwork quilts. His explanation is tart: "It's knowing what to do with things that counts.")

All of the events involving Robert Frost during the past decade make most sense if viewed poetically as metaphors. But what grounds for confidence could Frost have claimed during those upsetting days of Sputnik I? None new or untried, yet many that are closely related to his recurrent themes of courageous carrying on in the face of discouragement. His poems and his life provide complementary dramatizations of certain essentials in the idiom of American history: A descendant of nonconformist Puritans, Frost has acted out the principle of even heretical nonconformity while defending against all criticism the rigor and self-discipline of certain pioneering Puritan virtues. He likes to say that there are two post-Puritan books that are never quite out of his mind, Thoreau's "Walden" and Defoe's "Robinson Crusoe." He sees and hears a rhyme, there, in that while Crusoe was cast away and Thoreau self-castaway, each found self-sufficient. Fear of lostness or defeat gets counterbalanced, for Frost, by man's persistent and metaphorical demonstrations of difficulties overcome, starting and ending with the great problems as to how the limited can make snug in the limitless.

In his poems, many of his metaphors are closely related to the theme of the individual's necessary pioneering, in any age. For him, the greatest reward of daring is still to dare, initially through individual assertion of energy and skill buttressed by a combination of self-belief and God-belief. He views the moral build soil of man and nation as constituting a blend of those opposites of self-fulfillment and self-surrender. Such insights are partially reflected in the metaphorical retrospect of his poem on American history entitled "The Gift Outright." But insofar as those insights involve repeated beginnings of individual self-discovery and self-expression they also find oblique reflection within such a metaphor as that which lies at the heart of "The Axe-Helve":

"He showed me that the lines of a good helve
Were native to the grain before the knife
Expressed them, and its curves were no false curves
Put on it from without. And there its strength lay
For the hard work."

As poet and as man, Frost has proved himself native to the grain of the American idiom. But if we ask what right a mere poet has to invoke metaphors of strength for hard work we can find the answers in the creases of his face. His entire life might be taken as a gathering metaphor of confronting and overcoming difficulties (physical, mental, emotional, spiritual) by setting himself an ideal goal and then by working up the skills to hew purposefully toward that goal.

Consider a few of the separate images that went to make up that life metaphor. What were his own chances when he played as a boy in the streets of his native San Francisco while his father, having failed as a gambler, was dying of tuberculosis? What were his chances when he worked at odd jobs in Lawrence, Mass., while clinging to his apparently futile belief that artistic achievement was all that mattered to him? What were his chances when this city-bred young man was sent by doctor's orders to a backwoods farm in Derry, N.H., because his failing health seemed to indicate tuberculosis? What were his chances, after 6 years of desultory farm life, when he was stricken by a severe attack of pneumonia and had good reason to fear that he would not recover? What were his chances when he failed for 15 years to achieve any recognition as a poet other than those notes of polite refusal and those printed rejection slips that accompanied poems returned from major literary magazines in the United States? What were his chances when he reached his 40th year before publishing his first thin book of lyrics in England under the retrospective title "A Boy's Will"? These are all metaphors in which fear is met and answered and overcome by courage and daring and action and skill. Shades of Horatio Alger? All right, Call it what you like, for nothing can belittle that accomplishment.

"I stay," is the gamblerlike beginning of that poem about chances and possibilities entitled "An Empty Threat." Just because these poems talk back and forth to each other, put with that beginning the conclusion of another relatively early poem entitled "Acceptance":

"Now let the night be dark for all of me.
Let the night be too dark for me to see
Into the future. Let what will be be."

In considering Frost's life as a poem we can see that he had his own reasons for thinking he knew what he was talking about when he said in print just over a year ago, "Courage is the human virtue that counts

most—courage to act on limited knowledge and insufficient evidence. That's all any of us have, so we must have the courage to go ahead and act on a hunch. It's the best we can do."

Because he thinks in terms of metaphors, Frost can view that homely gambler's word "hunch" as interchangeable with (or at least inseparable from) such words as "faith" and "belief." Part of his courage has always been rooted in his hunch that there must be a larger design relating the ideal goals of any individual with those of his neighbors, his State, his Nation, and ultimately his God. All of his poems invoke what he likes to call "ulteriorities" within and through the hard facts of immediate daily life. During the past 5 years he may have seemed to become more explicit in both poetry and prose concerning the ideal predicament of any person or nation as involving the venture of spirit into matter. But there is nothing new for him about that particular theme because he began exploring it affirmatively when he published in his first book of lyrics the poems entitled "The Trial by Existence" and "A Prayer in Spring." Years later, he touched on the same existential theme when he tucked into one of his prose prefaces this metaphor on metaphors: "every poem is an epitome of the great predicament; a figure of the will braving alien entanglements." On his 60th birthday, in an open letter to "The Amherst Student," he talked again in terms of metaphors concerning the individual's God-given capacity to assert some limited degree of order and form and meaning on the chaos and confusion of immediate human experience.

There is no getting around it: Robert Frost is (among many other things) a didactic poet who is not ashamed of his Puritan heritage. While certain critics continue to decry his didacticism, the average reader seems to be able to bear Frost's way of letting an observation or insight pick up its images and then crystallize themes into epigrammatic conclusions. That kind of idiom is particularly welcome today because it turns out that Frost has so much that is pertinent to say to us in our personal and national confusion. Let the cynical belittlers of the present American scene question the Nation with the old sneer, "Are all thy conquests, glories, triumphs, spoils, shrunk to this little measure?" What Frost has kept saying from the start of his poetic career is that there is yet room for even "sheer morning gladness at the brim" provided we keep earning the right to enjoy it. For him there is still justification for believing that "earth's the right place for love" if we take the trouble to keep earning that. As for the future of his country he suggests that even there we are morally obliged to keep earning our right to measure her future in terms of her past: "Such as she was, such as she would become."

So when a man and poet like Robert Frost is able to renew these old insights convincingly in both verse and action, even while completing his 85th year of tough experience, we can take pride in extending to him, once again, and with ever increasing gratitude, the felicitations of the Nation he has served so well.

Mr. PROUTY. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 95) submitted by Mr. PROUTY (for himself and Senators AIKEN, ALLOTT, BARTLETT, BENNETT, BIBLE, BRIDGES, BUSH, BUTLER, BYRD of West Virginia, CANNON, CAPEHART, CARROLL, CASE of South Dakota, CASE of New Jersey, CHAVEZ, CHURCH, CLARK, COTTON, DODD, DOUGLAS, EASTLAND, ENGLE, GOLDWATER, GREEN, GRUENING, HARTKE, HENNINGS, HOLLAND, HRUSKA, HUMPHREY, JACKSON, JAVITS, JORDAN, KEATING, KEFAUVER, KENNEDY, LANGER, LAUSCHE, MAGNUSON, MANSFIELD, MCCARTHY, MCNAMARA, MORSE, MUNDT, MURRAY, MUSKIE, NEUBERGER, PASTORE, PROXMIRE, ROBERTSON, SALTONSTALL, SCHOEPPEL, SCOTT, SMATHERS, SMITH, SYMINGTON, TALMADGE, WILEY, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio) was considered and, by unanimous consent, agreed to, as follows:

Whereas in the words of the poet Shelley "Poets are the unacknowledged legislators of the world"; and

Whereas poets have been described as "the movers and the shakers of the world forever"; and

Whereas art, which includes the making of poetry, is said to be "the conscience of mankind"; and

Whereas the Congress, although compelled by the necessities of our time to concentrate its primary attention on things material, nevertheless is fully cognizant of the value and importance to our citizens as long as our Nation shall endure of things of the spirit contained in our national literature, art and culture; and

Whereas Robert Frost, the present Consultant in Poetry in English to the Library of Congress is one of America's and the world's best loved and best known poet-philosophers; and

Whereas throughout his long and distinguished career in the field of letters his poetry and his philosophy have enhanced for many throughout the world their understanding of the United States and its people; and

Whereas for almost half a century Robert Frost has been writing poetry which has brought pleasure, comfort, inspiration, thoughtfulness, keener awareness of nature and greater understanding of fellow human beings to thousands of people in all parts of the civilized world; and

Whereas he has unselfishly devoted many years of his life to teaching and bringing to the youth of our land an appreciation of the finer things of life; and

Whereas his work has brought him more recognized honors than have come to any other contemporary American poet, including four Pulitzer prizes in poetry, the Helen Haire Levinson Prize, the Russell Loines Memorial Fund Prize, the Mark Twain Medal, the Gold Medal of the National Institute of Arts and Letters, the Silver Medal of the Poetry Society of America, and the Theodore Roosevelt Medal; and

Whereas the Senate of the United States in a resolution on the occasion of his seventy-fifth birthday extended Mr. Frost the "felicitations of this Nation which he has served so well"; and

Whereas on the 26th of March 1959 he will attain the venerable age of 85 years, still enthusiastically carrying forward his writing, his teaching, his philosophizing, his lecturing and his public poetry readings throughout the land: Now, therefore, be it

Resolved, That the Senate of the United States extend to Robert Frost its good wishes on the occasion of his anniversary and salute him as a citizen, as a man, as a poet, and as a representative of our Nation's art and culture, and that the Secretary of the Senate is authorized and directed to transmit to Mr. Frost an engrossed copy of this resolution.

TAXATION OF CERTAIN NONRESIDENTS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. CASE of New Jersey. Mr. President, on March 5, 1959, I introduced Senate Joint Resolution 67 to amend the Constitution so as to limit the right of States or their political subdivisions to tax the incomes of nonresidents. The Senator from Connecticut [Mr. DODD] has asked to be added as a cosponsor of my resolution. I ask unanimous consent that his name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. PASTORE:

Address by Senator DODD delivered at the Jefferson-Jackson Day dinner in Hartford, Conn., March 19, 1959.

By Mr. HUMPHREY:

Address delivered by him entitled "The Challenge of the Soviet Economic Offensive," before the Economic Club of Southwestern Michigan, at St. Joseph, Mich., February 12, 1959.

By Mr. JAVITS:

Address delivered by Senator KEATING at the ninth annual conference of national organizations called by the American Associations for the United Nations.

By Mr. KEATING:

Address delivered by Senator SCOTT, of Pennsylvania, before Fellows of American Bar Foundation, Chicago, Ill., February 22, 1959.

Address delivered by Secretary of Agriculture Benson at Farm and Home Week meeting, Cornell University, Ithaca, N.Y., March 24, 1959.

NOTICE OF HEARING ON NOMINATION OF POTTER STEWART TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. KEFAUVER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, April 9, 1959, at 10:30 a.m., in room 424 Senate Office Building, before the Committee on the Judiciary, upon the nomination of Potter Stewart, of Ohio, to be an Associate Justice of the Supreme Court of the United States.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent.

VERMONT MAPLE WEEK BEGINS MARCH 30

Mr. PROUTY. Mr. President, the week beginning March 30 is Maple Week in Vermont. Special events are being planned in many of the ski areas of the State and in other communities.

These events are sponsored by the Greater Vermont Association and the Vermont Maple Industry Council. Also cooperating are the Vermont Development Commission, the State department of agriculture, the extension service of the University of Vermont, and the Vermont Sugar Association.

Mr. President, the sugar maple is the official tree of the State of Vermont. This is appropriate, because on no other continent in the world can the sugar

maple be found, and nowhere on this continent does it thrive more healthfully and happily than in Vermont.

Vermont leads all other States in the number of farms producing this crop, in the number of trees tapped annually, and in total production. Here are found the largest manufacturers of sugar-making equipment, the most inventors of improved methods of sugaring and of producing a variety of maple products, and more than 5,000 of the best-equipped producers.

The first official grades ever to be established on maple sugar and sirup were established by the Vermont Department of Agriculture; and today Vermont maple sugar and sirup are not only the best tasting in the world, but are the purest.

For all these reasons, Vermont invites all our citizens to visit the Green Mountain State during Maple Week. Not only will they be received with warm-hearted Yankee hospitality, but they will breathe pure mountain air uncontaminated by fog, smog, or radioactive dust; they will be able to enjoy unexcelled skiing; and their palates will be tickled by the sweetest taste, next to a sweetheart's kiss, that the good Lord ever invented.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. DELEGATION TO THE INTERPARLIAMENTARY UNION EXECUTIVE COMMITTEE AND COUNCIL

Mr. MANSFIELD. Mr. President, I should like to announce, for the information of the Senate, that next week three distinguished Members of this body, the Senator from Oklahoma [Mr. MONRONEY], the Senator from South Dakota [Mr. CASE], and the Senator from Maryland [Mr. BUTLER], together with two able Members of the House of Representatives, Representatives HAROLD COOLEY and BOB POAGE, will leave for France to take part in the annual spring agenda meeting of the Interparliamentary Union's Executive Committee and Council.

As Senators know, the United States is one of 55 member nations of the Interparliamentary Union. This year's regular meeting is to be held in Warsaw in September—the first time the Union has ever met behind the Iron Curtain.

It is for this reason—and because of the critical months that lie ahead for the world—that the agenda meeting next week will be particularly important. Questions of disarmament, of international development and of cultural exchange, among others, will be considered for the agenda.

I think it is extremely fortunate that the United States will be represented at the agenda meeting by MIKE MONRONEY, FRANCIS CASE, and JOHN BUTLER, and by HAROLD COOLEY and BOB POAGE. I extend to them the Senate's best wishes in their work.

Mr. KUCHEL subsequently said: Mr. President, next week, in France, representatives of the member nations of the Interparliamentary Union will meet.

From the U.S. Senate the delegate will be the distinguished junior Senator from Oklahoma [Mr. MONRONEY]. The distinguished junior Senator from South Dakota [Mr. CASE] and the distinguished senior Senator from Maryland [Mr. BUTLER] will be present as alternates.

The problem before the members will be the preparation of agenda for the meeting of the Interparliamentary Union to be held in Poland during the coming summer. Thus the men and women who will meet together next week in France, in the preparation of agenda, will consult together in the background of a grave and great international crisis, which continues to rage over Berlin.

We shall be ably represented by those who will travel to the meeting from the Senate.

My point in rising, and in joining with my friend, the able Senator from Montana [Mr. MANSFIELD], is merely to say that with our delegation go the best wishes of the Members of the Senate that, with the representatives of the parliaments of other nations which belong to this great international organization, they may foster the cause of peace with justice in this weary world.

AUTHORITY FOR MR. MERRILL MURRAY TO BE PRESENT IN THE SENATE CHAMBER

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that Mr. Merrill Murray, Assistant Director of Employment Security of the Department of Labor, be authorized to be present in the Chamber today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

MANDATORY QUOTAS ON IMPORTS OF RESIDUAL OIL

Mr. RANDOLPH. Mr. President, the order issued March 10, 1959, by President Eisenhower which imposed mandatory quotas on imports of residual oil has been sharply criticized by some of my colleagues. I should like to hope that some of this criticism results from misunderstanding of pertinent facts. In any event, it is my opinion that the mandatory restrictions ordered by the President were overdue.

In any discussion of this subject, we should first of all consider the question: What is residual oil?

The product is a heavy, black oil remaining after the processing of crude. It is known in the trade as No. 6, No. 5, bunker C, or "black oil."

Almost all the imports of residual to this country originate in Venezuela, or refineries on Dutch islands off the coast of that country. The oil is used principally in the east coast industrial fuel markets of this country and inland approximately 100 miles.

The product is, as I have indicated, primarily a boiler fuel for industrial installations. It is not—and this is very important—used in the ordinary residential home. Apparently, some of my colleagues believe the restrictions ordered on residual fuel oils affect the average householder. This is not the case.

Some residual is burned to supply heat energy in large apartment buildings or hotels, but this use is almost negligible in comparison with its utilization by industry.

Perhaps, at this point, there should be some discussion of statistics which obviously had important bearing upon the President's decision to order mandatory quotas on imports of residual oil.

In 1946, direct residual oil imports were the equivalent of nearly 11 million tons of bituminous coal.

In 1958, they were the equivalent of approximately 44 million tons of coal. But in order to obtain the true picture we must add to the 44 million figure some 6 million tons, coal equivalent, of residual made from imported crude. Thus, the total for 1958 was approximately 50 million tons.

Since 1954, the increase in terms of coal equivalent of imported residual oil and residual made from imported crude is about 19 million tons.

Throughout January and February of this year virtually a tidal wave of residual oil was reaching our shores, that fuel having been imported at the coal equivalent of over 70 million tons on an annual basis.

Most of the coal which supplies the east coast comes from southern fields. The injury in this area from residual is both substantial and grave. Since 1947, employment in the coal industry in West Virginia has fallen by over 50,000 jobs. During that time coal's payrolls have dropped by about $21 million—or 5½ percent—while employment and payrolls in every other major industry, except lumber, showed overall increases until 1958. To a greater or lesser degree the somber story of coal repeats itself in other coal-producing States. The implications are ominous.

The mere fact that coal has been displaced by residual oil is, admittedly, no reason by itself for the Presidential action. The issue goes far beyond that.

Authoritative spokesmen for the coal industry contend that the residual oil is being dumped. It is sold at whatever price is necessary to gain markets for that product. This type of competition from foreign sources is unfair. The evidence bears out the contention.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The time of the Senator from West Virginia has expired.

Mr. RANDOLPH. Mr. President, I ask unanimous consent to proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. RANDOLPH. Indeed, the inroads made by residual oil on domestic fuel markets are a serious threat to our national security. In any period of crisis which may involve war risk, the bituminous coal industry would be called

upon to produce mightily. A weak and declining coal industry could not fulfill such an obligation.

Then, too, an ailing coal industry hurts the railroads, since coal is their most substantial customer.

A stable and prosperous coal industry is defense insurance of the best kind for the Nation.

I have no doubt that these facts were in the mind of the President when he decided to impose mandatory quotas on residual oil.

It seems to me, furthermore, that under the law, the Chief Executive had an obligation to issue the March 10, 1959, order which he caused to be promulgated as a proclamation.

Broadly speaking, section 8 of the Trade Agreements Act provides that the President shall take action to prevent imports from impairing the national security if the Director of the Office of Civil and Defense Mobilization finds that such conditions exist. The legislation was amended in 1958 to include imports of derivatives of raw materials or products. Residual is a derivative of crude.

The reliance by the east coast of the United States upon foreign residual oil is dangerous. As has been proved in the past, residual rates will be raised quickly and substantially if conditions permit. But if war comes, the oil simply will not continue to be available.

During World War II, oil shipments by tanker from the gulf coast and overseas dropped 65 percent. Bituminous coal was called upon to supply most of the resultant fuel deficiency—and did so.

The Soviet submarine fleet today reportedly is much larger and more efficient than was the German fleet which wreaked so much havoc on shipping during World War II. There is every reason to believe, therefore, that our potential enemy's submarines would pose a very grave threat to oceanic vessels carrying oils to our domestic ports.

Foreign sources supplied about 26 percent of the east coast's residual oil requirements in 1940; they now supply in excess of 70 percent of residual consumption in the Eastern United States.

The best estimates—governmental and private—are that the energy requirements of the east coast area would increase at least 12 percent during the first year of a major war. This estimate does not take into account any interruption of oil imports. Even so, all durable industries probably would have to operate at peak capacity. At present, the east coast energy sources are as follows:

[Million tons in coal equivalent]

		Percent
Petroleum	274	52
Bituminous coal	161	31
Natural gas	58	11
Anthracite	20	4
Hydro	11	2
Total	524	100

If the demand rose 12 percent and there was no interruption in supplies, energy requirements in the first year of war would be as follows:

[Million tons in coal equivalent]

	Percent
Petroleum	303
Bituminous coal	188
Natural gas	63
Anthracite	23
Hydro	11
Total	588

Today, coal experts tell me that the bituminous coal industry probably could produce 520 million tons annually if called upon so to do. The fields supplying the east coast area might be hard pressed to mine the 27 million additional tons—coal's share of the 12 percent—if war came, but they probably could meet such a challenge.

But if tanker sinkings should affect imports the situation would become critical almost immediately. Let us assume that residual oil availability should be reduced 25 percent, as compared to its 1957 level. The residual supply then would drop from an equivalent of 274 million tons to 206 million tons.

The only source for the major part of this deficit would be bituminous coal. Gas could not help; it already is pushed to pipeline capacity. Anthracite could supply only a few million tons of the new need. Hydroelectric power could offer no additional energy.

I have said that bituminous coal might be able to supply an additional 27 million tons annually to the east coast if it were asked to do so. However, a 25 percent reduction in residual oil imports would mean that coal mines would be called upon to furnish 68 million tons additional. As matters stand now, bituminous coal could not supply this required tonnage. In this connection, we must also take into account the fact that the coal fields which supply the east coast sell half their output elsewhere. These other sources would be clamoring for more fuel in the event of war.

What about the assumption that residual imports would be cut 25 percent in time of war? This estimate seems much too conservative. The decline in residual imports and in coastwise shipments of the product was much more than 25 percent during World War II. Coastwise residual oil shipments fell 60 percent between 1940 and 1942; residual imports from Venezuela dropped some 59 percent in 1942 as compared to 1941.

There also is the possibility of enemy attack on the areas of oil production, refining and loading in Venezuela and the Dutch West Indies. An H-bomb, or A-bomb at the entrance of Lake Maracaibo, for example, would mean there would be no oil imports from Venezuela for a long, long time.

Once again, there is no reason to expect that enemy submarine forces would not do as much damage, or more, to oil imports and coastwise oil shipments during a future war involving the United States than the damage in World War II caused by the Germans.

Nor should we forget the recommendation of the Presidential Advisory Committee on Energy Supplies and Resources Policy made in 1955.

As its name indicates, the function of this Committee is to study energy supplies and resources and to make recommendations on national policy.

With regard to crude oil and residual oil, the Committee's report of February 26, 1955, said:

> The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply. * * *
>
> The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

In 1958, imports of foreign residual, and residual made from imported crude oil, exceeded the 1954 imports by over 19 million tons coal equivalent.

Obviously, the increase in imports at coal's expense has been tremendous and, from the standpoint of defense, threatening indeed.

The rising tide of residual imports along the east coast then constitutes a definite threat to national security.

The President, in my opinion, had no choice other than his order of March 10, 1959.

Further—and this should be kept in mind—his was only the first move in the series of steps which must be taken to recover coal's east coast markets. Much more needs to be done before there is the balance that we need for internal stability and national defense.

There is no question that the bituminous coal industry would be expected to expand production very rapidly in the event of armed conflict. All industry would be operating at capacity. New plants would go into operation as soon as they could be constructed. Not only would residual oil imports be curtailed or cut off; all petroleum imports would be restricted. Perhaps there would be a program to shift home furnaces from oil and gas to coal, as there was during the World War II period.

I have mentioned that bituminous coal, in wartime, probably could supply 27 million tons additional annually to the east coast area, but might find it impossible to supply 40 million tons additionally. Let us review the coal situation.

The coal industry has gone downhill since World War II, being one of the few major industries to do so. The alltime high of production was reached in 1947 when approximately 631 million tons were produced. In 1958, production approximated 400 million tons, and, in all likelihood, the entire industry operated at a loss. In 1954, when production was slightly more than 390 million tons the industry's loss, after taxes, was not far from $1 million.

From 2 to 4 years are required to develop a modern deep coal mine, and the industry must depend primarily on this type of mine for the future. During previous emergencies, much of coal's quick expansion came from strip mines—with surface coal or coal near the surface. Today, about 74 percent of bituminous production comes from deep mines and this proportion will increase in the future.

Since 1950, the number of operating bituminous mines has dropped from 9,429 to an estimated 7,588 in 1958, a loss of almost 2,000 mines. Comparatively few of these were strip mines since these are the most profitable and the last to be discontinued unless the coal is exhausted. Many of the deep mines which have closed will not reopen. Many concerns cannot afford the costs of keeping them in standby operations. Equipment is removed, the mine becomes flooded, the roof falls, and it is cheaper to start a new operation altogether than to reopen the old shaft.

Last year, employment in the mines was only about 190,000 men as compared to more than 400,000 in 1947. A part of this decline doubtless was due to mechanization, but a larger factor was the steady drop in coal production.

Incidentally, bituminous coal has steadily increased its productivity until it is around 11 tons per man per day, as compared to about 6½ tons in 1947, a most astonishing record.

Few persons realize that today the price of bituminous coal at the mine is just about what it was in 1946. This is truly amazing. No other major industry has had such an experience in these inflationary times. The stability of coal prices should help reassure my colleagues and others who are fearful that the quotas on residual oil will substantially increase fuel costs in the east coast area.

A modern mine is very costly to build, requiring an investment of from $6 to $10 per ton of annual capacity. Experts figure it will require an investment of at least 6 percent to remain a going operation; it requires an investment of at least 10 percent to be attractive in view of the uncertainties attending coal mining in this era. Every cost is high. It is estimated that depreciation, plus supply costs, range from $1.25 to $1.50 per ton annually. This does not take wages into account, nor other items, the welfare fund, social security, electric power, property taxes, and selling and administration costs.

I have stated that current capacity is around 520 million tons. In all probability, the industry's capacity to produce declined in 1958. The improvement in 1959 may not be pronounced. Residual oil imports in January and February were pouring in at the tremendous rate of around 70 million tons annually. The mandatory quotas will help some, but we must wait to see how they will be administered and how much improvement, if any, can be expected from an industrial upturn beneficial to coal. It is highly questionable whether depreciation and depletion will even be covered this year. Or, to state the situation another way, a part of the bituminous mine plant will be given away with each ton of coal sold.

About one twenty-fifth of the mine plant depletes each year, which means that about 20 million tons of the plant capacity must be replaced every year. This requires an expenditure of from $120 million to $200 million yearly. This is a sizable sum to an industry which operated with little or no profit last year.

It is conservative to estimate that the coal industry would be asked to produce 100 million tons, over and above present capacity of 520 million, in wartime. To place the industry in a position to supply this added tonnage, from $600 million to $1 billion will be needed. With coal limping along as it is today, where is this money coming from?

The Congress then, instead of assailing the quotas on residual, should consider other steps to place coal in a stable and prosperous condition, and insure that it will be able to furnish the Nation the indispensable tonnage needed.

Some critics of the residual order have expressed the fear that it, through increasing costs, may increase unemployment in east coast areas. I think their fears are groundless.

But, while we are discussing unemployment, there is no question about the effects of these rising imports on West Virginia and other coal States. This foreign oil already has caused unemployment. Thousands of miners, American citizens, are out of jobs and are forced to live on handouts. This is not a theory. It is a fact, and to add to our bitterness it is our belief that the imports are dumped, ruthlessly and unfairly.

Recently, the bituminous coal industry formed the national coal policy conference—an overall organization. The factors that I have talked about here today are the reasons why the coal producers, the United Mine Workers of America, coal-carrying railroads, coal equipment manufacturers and coal-burning utilities have joined together. They feel the time has come for a united effort on behalf of an indispensable product. They would dispel the idea that coal is outmoded. They will insist that the industry be given fair treatment. One of their aims is to stop the dumping of residual oil at the expense of coal.

I congratulate the coal industry and the related groups upon the formation of the conference. I am confident it will be a most salutary and constructive force.

The coal-carrying railroads have, in many respects, the same problems as the coal industry. The drop in coal production creates a serious problem for the railroads from the standpoint of revenue, because coal, for many years, has been a most important revenue-producing customer.

Another problem is created because of the heavy costs of maintaining locomotives, coal cars, and other facilities. In the last 3 years almost 50,000 hopper cars, used to haul coal, have been scrapped—several thousands more than the roads have put into service. In 1958, the number of bad order hoppers—coal cars which require extensive repair work before they can be used again—increased by more than 35,000.

The railroads know also that wartime operations would impose heavy burdens upon them, including the hauling of millions of additional tons of coal. They also want to be ready to do their part and they are wondering whether or not they would be able to do so.

The coal crisis, then, has two major fronts from the standpoint of national security. One is its effect on the ability of the coal industry to meet defense needs. The other is its effect upon the ability of the railroads to meet these same requirements.

I have outlined the predicament of the bituminous coal industry, as I understand it, and the part which residual oil has had in creating the problem. Even if the competition from residual imports were fair in every respect, protection of the domestic coal industry is imperative.

But, in the opinion of the coal industry spokesmen, the competition is not fair. Residual oil is being dumped. It is sold for the price necessary to expand residual consumption when that expansion becomes desirable to the producers of the product.

As has been stated, imports of residual have gone up and up since World War II. The displacement of coal has been particularly marked during periods of recession. In 1949 and 1950, for example, the residual level was high at a time when the demand for energy was declining. Residual prices were cut sharply and, naturally, coal markets were the victims. While some concerns have multi-purpose equipment, which can use both oil and coal, many shift from coal to oil on the basis of favorable long-term arrangements. Even if the price of residual is higher than coal, which occasionally happens for short-term periods, residual-using firms tolerate this condition and coal continues to be the loser.

In 1953 and 1954, another period when industrial activity declined, residual repeated its performance of 1949 and 1950, undercutting coal and taking away markets which never returned.

During the recession of 1958, the volume of residual oil was maintained at 1957 levels, much of it being sold at distress prices. Residual was priced as low as $2 per barrel in New York, which is the equivalent of about $8.40 per ton of coal. Coal has learned by bitter experience that reducing its prices will not save its markets.

Coal prices remain relatively stable. Residual prices fluctuate. For example, in 1948, the average price of a barrel of residual oil in the New York harbor was $3 per barrel, or the equivalent of $12.50 per ton of coal. During 1949, the average price at the same location averaged $1.90 per barrel, the equivalent of $7.91 for a ton of coal—a $4.50 change in only a year. In 1946, the average price for a barrel of residual was $1.76 or $7.34 coal equivalent—a $5.16 a ton

change in terms of coal. This $5 variance per ton equivalent is almost as great as the price of coal at the mine, which averages between $5 and $6 per ton—and which has varied little since 1946. Also, the residual salesmen have numerous special deals which are designed to facilitate the shift away from coal and which accomplish their objective.

The concern expressed over higher prices because of quotas on residual does not take into account the history of oil price movements. When it appeared there would be a world shortage of oil during the Suez crisis, the price of residual went up immediately. The history of residual prices indicates that the oil interests have no hesitancy in charging all that traffic will tolerate. The real guarantee of protection against gouging to the east coast area is the stability of coal prices.

Furthermore, the coal industry and the railroads already have moved to insure that fuel prices remain stable by arranging to reduce both coal prices and rail rates on the product to major industrial users in the East. The price reduction approximates $1 per ton.

How do we explain the rise in residual imports, no matter the economic conditions? Why the tremendous variance in oil prices, at coals' expense? Could it be that the oil interests can manage these prices at will, and that they have larger objectives in view than residual profits?

In this connection, I would call attention to an announcement of Herbert Brownell, former Attorney General, on April 14, 1953, that he would file a civil complaint charging the maintenance of a world petroleum cartel in violation of the antitrust laws. At the time, a District of Columbia Federal grand jury was investigating the activities of the oil companies with a view to possible criminal charges of antitrust violations. Mr. Brownell said he intended to drop the criminal charges, commenting this was "because existing world tensions require that, in the interests of national security, enforcement of the antitrust laws in this case be pursued through civil proceedings."

On April 21, 1953, a civil suit which charged violations of the antitrust laws on the part of five major oil companies was filed. The companies were Standard Oil of New Jersey, Socony-Vacuum Oil Co., Inc., the Texas Co., Standard Oil Co. of California, and the Gulf Oil Corp. These five are giants, indeed, having assets of more than $10 billion.

Two of the companies mentioned, Standard Oil of New Jersey and the Gulf Oil Corp., have extensive interests in Venezuela. A report by the Federal Trade Commission says that the two, together with Royal Dutch Shell, "have jointly maintained a pervasive control and influence over the Venezuelean industry in all its aspects, from exploration and development to the marketing of the end products."

In 1952, the FTC made a staff report to the Senate Select Committee on Small Business called the International Petroleum Cartel. The report said that seven major oil companies, Anglo-Iranian Oil Co., Ltd., Gulf Oil Corp., Royal Dutch Shell, Standard Oil of New Jersey, Standard Oil of California, Socony-Vacuum Oil Co., and the Texas Co., dominated the world's production, distribution and marketing of oil.

The civil suit filed in April 1953—just about 6 years ago—against the five oil companies charged that the corporations had been engaged, since 1928, in a continuing agreement and concerted action to maintain control over foreign production and supplies of petroleum and products, to regulate imports in order to control prices, and to divide world producing and marketing territories.

What has happened to this suit? Nothing, so far as I can determine. It has not been dismissed, but insofar as I have been able to find out, no effort has been made to press it. Queries to the Department of Justice elicit no information. Inquirers have been told it is in the live-inactive file, which seemingly is a most notable contribution to bureaucratic nomenclature. In March 1955, Joseph E. Moody, president of the Southern Coal Producers' Association, discussed the suit in detail and urged a congressional inquiry to determine what had happened to it. He reports that he did not receive a response, either from the Government or from the oil companies concerned.

Mr. Moody, who also now is executive director of the national coal policy conference, asserted in positive terms, that the residual was being dumped. Others have made similar charges. Silence on the part of the accused has been maintained.

One of the protests made in connection with the mandatory quotas on residual oil is the alleged harm done to our relations with the friendly nation of Venezuela. I agree we should do everything possible to keep on the best of terms with our neighbors to the south. Yet, I find that Venezuela maintains most effective tariffs and quotas against certain imports, including U.S. products. Obviously, Venezuela feels it must protect its own economy and security. I am certain that country will understand action to protect our vital economic interests and security—particularly when no real injury to her interests is involved.

I am wondering, however, just how much benefit Venezuela has had from these residual oil imports. As anyone familiar with the petroleum industry knows, the lighter products—gasoline, the lubricating oils, home heating oils, etc.—bring higher prices and more profits than residual oil. A very high percentage of residual results from the cracking of the Venezuelan product.

Some informed persons feel this is deliberate on the part of the oil giants and that the percentage of residual from the Venezeulan oil could be reduced substantially if it were not for the fact that the market is shared by a cartel. As a part of that alleged cartel operation, residual oil apparently is dumped on the east coast at the expense of the coal industry and coal miners—as well as American coal-hauling railroads and their employees. Moreover, and here I repeat for emphasis, the deterioration of the coal industry threatens the national security.

Many persons are heard to express the belief that coal is obsolete and is rapidly being replaced by other fuels. Actually, the foundation for our energy market in the future is coal. Fortunately, we have tremendous quantities of it, enough to last for a 1,000 years or more. Coal, if necessary, can be turned into oil and into gas, and today it is the base of many valuable chemicals and other products. On the other hand, many informed persons insist the demand for coal will grow and grow. We may, they say, be using more than 1 billion tons by 1975, which is only about 15 years away.

What we need to be concerned about now is the present and the months and years which lie just ahead. Our own safety dictates that we keep the coal industry healthy, prosperous, and ready to expand quickly and substantially in times of crisis.

The mandatory quota system ordered by the President was only a first step—and a modest one—in that direction. We need to do much more.

Now to summarize this situation as I see it:

First. The President's action in imposing mandatory quotas on residual oil clearly was justified from the standpoint of national security.

Second. The average householder is not directly affected by the order, inasmuch as residual oil is not used in the home.

Third. There is little likelihood that increasing prices for residual oil will adversely affect consuming interests on the east coast, because coal is available at prices that have remained stable since 1946.

Fourth. The order likewise was justified in the interest of fair play and the domestic economy, inasmuch as evidence indicates that residual oil was being dumped at the expense of American bituminous coal.

Fifth. The Congress should investigate reasons why the Department of Justice civil suit against five large petroleum companies, alleging violation of the antitrust laws through the division of markets and the fixing of prices, has remained inactive since it was filed approximately 6 years ago.

THE SEARCH FOR WORLD PEACE

Mr. WILEY. Mr. President, we shall soon be leaving to go back to our constituents for Easter.

Easter symbolizes peace. It also is an answer to the eternal question, "What is life? Has it any termination?"

I wish for all my colleagues in the Senate, when they go home and meet with their constituents, that they will find the answers for which they are looking to the questions which confront us.

We know that through understanding, and following the precepts of the Man of Peace, we can find the answers.

There was published in the March 1959, issue of Club Woman magazine an

article entitled "World Peace: Can It Be Achieved in Our Day?" written by myself, in an effort to answer some of these questions.

I have suggested that world peace can be found only through an effective utilization of the principles I have outlined—the exchange of information and ideas—right ideas, if you please—cultural exchange, people-to-people contacts, international education, mobilization of religious faiths, perhaps through an international "Geospiritual year." I believe that if we demonstrate in our own living in America that we can give to each other the benefit of being sincere and honest in our convictions, we can carry through that idea in the world at large.

I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD PEACE: CAN IT BE ACHIEVED IN OUR DAY?

(By Hon. ALEXANDER WILEY, U.S. Senator from Wisconsin)

Today we are only 35 minutes away from Moscow by intercontinental ballistic missile. These lightning-fast, giant bullets, equipped with nuclear warheads, can fly along at the frightening speed of almost 11,000 miles per hour. Even with the facilities of our NORAD Command (North American Air Defense), and our intelligence system, operating at peak efficiency, we would have a maximum warning time of an ICBM attack from Russia of less than 1 hour. In the next 2 or 3 years, the warning time will be zero to 15 minutes. The killing effect of a thermonuclear blast would probably be a radius of 5 miles; but, in addition, if a 20-megaton bomb (the equivalent of 20 million tons of TNT) were dropped on St. Louis, for instance, radioactive fallout would blanket Illinois, Indiana, and even Ohio, if the wind were right. Our Office of Civil Defense Mobilization has classified over 100 major cities as probable target cities of such a thermonuclear attack. Chicago is a target city; Detroit, New York, Los Angeles, and just about every major industrial area. It can happen here.

Therefore, if it can happen here, we must predicate our thinking on the presumption that it will happen here—unless we dedicate our entire thinking, and consequent action, to the promotion and maintenance of world peace—a positive peace, safeguarded with justice and durability. The unprecedented horror of a war in the future lends an urgency to this task that is inescapable. Civilization, as we know it, could literally vanish from the earth in the incandescence of a thermonuclear explosion. Man is truly balanced between extinction and world harmony. Hence, as never before, and especially in the nuclear age, there is no alternative to peace.

THE POSITIVE APPROACH TO WORLD PEACE

However, in emphasizing the vital necessity for world peace, I prefer not to suggest that our primarly stimulus for its achievement is that of fear; although the threat and prospect of the self-destruction of civilization, and probably the human race, in a thermonuclear holocaust should certainly be incentive enough. Instead, I should like to adopt the perspective of the positive approach; an approach which is guided by the vision of a finer and nobler world than has ever been before—a world without warring states and where all men can be brothers.

Throughout modern history, mankind has pursued a concept of peace, achieved through various means, which might ultimately put an end to the recurring tragedy of warfare among nations. But a long progression of efforts toward universal peace has, almost wholly, failed. Unless we are to lapse once again into utter barbarism, sooner or later some nation must blaze a new trail along which other nations will follow—a pathway which will lead to that utopia of peace where wars shall no longer curse mankind. I want the honor for that leadership for our own beloved Nation.

OUR ATTITUDES TOWARD OTHER PEOPLES OF THE EARTH

If Americans are to take an active part in the promotion of world peace, one of the first things which must be done is to reorient our thinking with regard to other peoples of the world. Perhaps America's most outstanding native philosopher, William James, stated: "The greatest discovery of my generation is that human beings can alter their lives by altering their attitudes of mind." That was a half century ago. A few years later, another great thinker, Aldous Huxley, paraphrased a divine truth stated by the Teacher of Galilee when he said: "Love casts out fear; but conversely, fear casts out love. Fear also casts out intelligence; casts out goodness; casts out all thought of beauty and truth. Fear is the very basis and foundation of modern life—fear of the war we don't want, and yet do everything we can to bring about." By allowing the emotion of fear to replace that of brotherly love toward our neighbor—and in this jet age every nation in the world is our neighbor—we lose the ability to understand him, and the inevitable result is the temptation to hate him. Hate and mistrust are the children of blindness—to understand and love our neighbor we must open our eyes and see him; not fear and hate him.

PEACE THROUGH THE EXCHANGE OF INFORMATION AND IDEAS

I believe that world peace can be promoted through the effective exchange of information and ideas among all peoples of the earth. That is why I am wholeheartedly behind the views expressed by our President when he addressed the heads of Government of the United Kingdom, France, and the U.S.S.R. at Geneva on July 22, 1955. While speaking on the topic of normalizing and increasing East-West contacts, he stated: "To help achieve the goal of peace based on justice and right and mutual understanding, there are certain concrete steps that could be taken to lower the barriers which now impede the interchange of information and ideas between peoples." To help implement this forward-looking program in connection with our relations with the people of Russia, shortly thereafter arrangements were made by the U.S. Embassy in Moscow to publish and distribute within the Soviet Union 50,000 copies per month of the magazine Amerika. This illustrated magazine is published in the Russian language and gives an objective presentation of our American way of life; emphasizing the cultural and nonpolitical. I have been reliably informed that the response to this magazine, on the part of the Russian people, is tremendous; that invariably there are insufficient copies to meet the demand, with long lines queuing-up at newsstands the moment "Amerika" is put on sale; and that available copies are dogeared and worn from much handling and passing around. Reciprocally, the Soviet Embassy also publishes and distributes a like number of copies of an English language magazine, U.S.S.R., here in the United States.

THE UNITED STATES-RUSSIAN CULTURAL EXCHANGE AGREEMENT

Subsequently, as most of us are aware, an important milestone in the history of relations between the United States and Soviet Russia occurred on January 27, 1958, when, after 3 months of quiet negotiation, the Lacey-Zaroubin cultural exchange agreement was signed. At that time, I went on record as expressing the hope that this agreement would be but the first step in a chain reaction of peace. I stated that we have nothing but good will for the people of Russia, that we want to get to know the Russian people better. An indication that this view is at least partially shared by the Russian leaders was given in a recent exclusive interview between Soviet Premier Khrushchev and another U.S. Senator. During the course of this interview, Khrushchev said that he believes as strongly as we do that both our countries stand to benefit from the maximum exchange of visitors and knowledge and that he would do his powerful best at the Moscow end to remove bureaucratic and political obstructions in the way of the cultural exchange program.

A dramatic example of this United States-Russian cultural exchange was the front-page story last April describing the acclaim in Moscow of a young American, Van Cliburn, who triumphed over 48 other contestants in an international piano competition based upon the works of the great Soviet composer, Peter Ilyitch Tchaikovsky. This incident graphically demonstrated the truth to the Russian people that the only type of guided missile we ever want to send to Moscow is the human missiles who will go straight to the hearts of the Russian people; the masters of the keyboard, of art, of literature, and of drama.

At about the same time Van Cliburn was taking Moscow by storm, the famous Moiseyev dance company was being greeted by enthusiastic New Yorkers at the Metropolitan Opera. Performers such as these will bring about the jubilation of American cheers, instead of the sound of tears and suffering.

These heart-warming illustrations of cultural exchange are but a few examples of the effectiveness of contact between peoples and are but a partial indication of the tremendous power for good that such exchange can bring about.

THE PEOPLE-TO PEOPLE PROGRAM

I have been pleased, on many occasions, to publicly comment on the outstanding progress toward effective international contact made by the people-to-people program. This program had, as its origin, the White House conference held 2½ years ago on the inspiring initiative of President Eisenhower. At that time, spokesmen for major segments of the American way of life joined together voluntarily in this great private movement; the purpose of which was, and is, to increase the warm bonds between American individuals and organizations and counterpart groups of similar backgrounds and interests throughout the world. Since that time, the people-to-people program has made remarkable progress toward the achievement of this goal; demonstrating how private citizens who work voluntarily can best solidify the ties with other countries on a warm, human, individual-to-individual basis.

EDUCATION FOR PEACE

One of man's greatest needs is to learn; for to learn is to grow, and to grow is to live. Recognizing, then, this need to learn in order to grow, civilized man has developed the educational process into ever-higher levels of thinking. By expressing his aspirations through such development, man has created a great art; for, in order to mold human beings into their finest possibilities, the same epic struggle to create beauty and harmony out of stubborn material limitations is involved which is the foundation of all great art. I believe that we can use the art of education as a mighty force for the purpose of encouraging international understanding and good will. To effectively accomplish this,

constructive educational experimentation should go on universally, both at home and abroad. That is why I proposed, in a recent public address, that one or more educational institutions in the United States, representing the very best in the American educational process, consider the possibility of submitting plans to the Soviet Government leading toward the establishment of experimental American schools inside Russia for Russian youngsters. These schools would be intended genuinely for progress in education—not for hostile propaganda or subversion—and would demonstrate in action that the United States is interested in friendly, productive relations with the present and future generations of Russia. They would be educational lighthouses from which would emanate beacons of understanding—beacons to a brighter tomorrow. Truly, education for peace can prove to be more powerful than atoms for peace.

AN INTERNATIONAL GEOSPIRITUAL YEAR

A concept which I believe has tremendous potential for improving understanding and cooperation among men and nations is the idea expressed in the recommendation by prominent clergymen for the establishment of an International Geospiritual Year. This proposal, inspired by the constructive achievements of the recent International Geophysical Year, suggests that 1960 be set aside as a period when each religious group would present the moral and spiritual resources it felt were necessary for the religious development of mankind and would seek a proper relationship between religion and science. Motivated by the desire to know the nature of God and the ultimate purpose behind the universe, such a Geospiritual Year could unite men in their age-old longing to believe in, and better understand, their relationships with the Supreme Being. This unity would be strengthened by the universal desire to find better ways and means by which men can live together in love, mutual respect, and freedom—rather than in fear and oppression. By emphasizing the things which all faiths have in common, religion can be made a great force for world understanding, justice, and peace.

THE ACHIEVEMENT OF PEACE

If, then, world peace is to be achieved in our day, I am convinced that it will result only through a genuine understanding of our neighbors. This understanding can be brought about by an effective utilization of the principles I have outlined above; the exchange of information and ideas, cultural exchange, people-to-people contacts, international education, and a mobilization of religious faiths—perhaps through an international geospiritual year. These methods all stress direct or indirect contact with the peoples of other countries; but, in so doing, a distinction must be made between a government and its people. For example, the fact that there are friendly, and even cordial, relations between the Russian people and the American people does not mean that we have altered our basic belief in our own way of life or that we have diminished in the slightest our feelings against the official ideology of Soviet Russia. But the ideology of a government is one thing—friendship with its people is another.

With the quest for peace the chief objective of our foreign policy, these instrumentalities for understanding our neighbors can be used as working bases to achieve that peace so that problems which inevitably arise may be solved at council tables—not on battlefields. By effectively applying these principles—the United States can nobly demonstrate to the rest of the world our desires for peace—to free mankind from the burden of armaments and to awaken man to the need for turning his energies into raising low standards of living, combating deadly diseases, building schools, and freeing men from hate and war.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. RANDOLPH. I recall that in the middle 1940's the Senator from Wisconsin was the author of proposed legislation for the establishment of a Department of Peace within the U.S. Government. It was my privilege at the same time to sponsor a similar proposal in the House.

The measure I introduced—H.R. 3628, 79th Congress, 1st session—was the subject of hearings on November 8, 1945, by the Committee on Foreign Affairs of the House of Representatives. I testified extensively on that day and the record of the hearings show, also, that I caused to be published in the RECORD on that occasion an address delivered in the Senate by the distinguished Senator from Wisconsin [Mr. WILEY] in which he spoke about the necessity for a Department of Peace and called attention to the measure I had introduced in the House and to a bill he introduced in the Senate July 6, 1945, along the same line.

I hope that during the 86th Congress the very able Senator from Wisconsin may find it possible to devote the creativeness of his mind to this subject once again. I believe it is most important, and I hope these remarks are in keeping with the spirit of the search for peace which the Senator from Wisconsin has so well explained as the objective of all men and women of good will.

Mr. WILEY. Mr. President, I am very grateful to the Senator from West Virginia for his remarks. The Department of Peace was contemplated in my mind—and I am sure in the mind of the Senator from West Virginia—at a time when we were actually in an all-out war. The need for a Department of Peace still exists. There must be a diagnosis of the causes of war. That means analyzing the fears, doubts, hatreds, and economic needs of the peoples of the world. It means seeking to find the answers. We try to do that in some of our programs, but I feel that what we need more than anything else is what I have outlined in the article which I have asked to have printed in the RECORD.

Mr. DODD. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DODD. I should like to join my colleague from West Virginia in commending and thanking the distinguished Senator from Wisconsin for his edifying remarks. It is good that in this great body we pause at least for a short time to mark this spiritual occasion. It is good for our country that the distinguished Senator from Wisconsin [Mr. WILEY] and the distinguished Senator from West Virginia [Mr. RANDOLPH] have spoken in this tone today.

TEACHER OF THE YEAR

Mr. MONRONEY. Mr. President, it is with real pride that I call the attention of the Senate to Miss Edna Donley, of Alva, Okla., "Miss E. D." as many friends call her, who has been chosen National Teacher of the Year by McCall's magazine, in an annual project honoring all teachers.

As all America tries to improve the quality of its mathematics and science teaching to meet today's challenges, it is particularly gratifying to my colleague from Oklahoma [Mr. KERR] and to me to find an Oklahoma mathematics teacher at the top of a very distinguished honor roll.

I am proud for Miss Donley, who has tried to make math irresistible 30 different ways in 30 years of teaching it in high school, and who also has made a record for herself as a debate and speech teacher and a leader in professional and civic activities. I also am proud of all Oklahoma teachers who made her president of the Oklahoma Education Association last year. I especially congratulate the city of Alva, Okla., and its school board, for finding and keeping Miss Donley and giving her an opportunity to teach in her own way, even during those years before a good tough math course returned to fashion generally.

I ask unanimous consent to have printed in the body of the RECORD McCall's article and its honor roll of 10 other U.S. teachers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

McCALL'S TEACHER OF THE YEAR

HOW M'CALL'S NATIONAL TEACHER OF THE YEAR IS FOUND

Miss Donley was selected by McCall's from a list of teachers nominated by State departments of education in all parts of the country at the invitation of Dr. Lawrence G. Derthick, U.S. Commissioner of Education, and Dr. Edgar Fuller, executive secretary of the National Council of Chief State School Officers. The nominees were observed at work over a period of months and their work was evaluated by representatives approved by McCall's and the U.S. Office of Education. From the recommendations, McCall's chose Miss Donley to receive the eighth citation in this annual project honoring all teachers.

In the 30 years that Miss Edna Donley has been teaching mathematics to high school students of Alva, Okla., she has heard the value of teaching real math to American children challenged and deprecated by both parents and educators. Her answer has been to work harder in her classroom at making the subject irresistible. "It was tough occasionally, but I stuck to the subject," she says, "and now math suddenly has become very fashionable again."

If since the end of World War II all high school teachers had followed Miss Donley's example in stressing subject matter, there would be less wringing of hands today among college professors over the lack of preparation of the freshmen crowding their doors. As much as any teacher possibly can, Edna Donley bridges the gap that has existed in our country between traditional scholars and modern psychologists. She is both. In hearty agreement with the committee and observers who rated her "an inspiration to us all," McCall's is proud to salute her as the eighth National Teacher of the Year.

Miss Donley is not an easy teacher—"students often think I'm a little hard on them," she says. However, she is, judging by the comments of her former pupils, the kind of teacher everyone later wishes he had had. One of them, now a successful engineer, says: "She gave me more of a background in and understanding of math than most students in other schools receive before they enter college."

Former students of the speech and debate classes which she also teaches are equally enthusiastic about what she has done for them. Nancy Denner, a finalist in the 1957

Miss America Contest, came home from college to be coached by Miss Donley. The following year Miss Denner was asked to speak in Atlantic City about Miss America scholarships because the sponsors felt she had had excellent training in public speaking.

A native Oklahoman and proud of it, Miss Donley comes from a family of teachers. Her father, the late W. A. Donley, made "the run" to become a first settler in Woodward County. Her mother was a teacher, and so are her brother and two sisters. Today she and her mother live in the home to which the family moved so that the children could get a good education. "My parents scouted other places but settled on Alva," Miss Donley says.

An energetic and beautifully groomed "young 50," Miss E. D., as most of Alva affectionately calls her, rates as high with the citizenry as with her students. For proof, here are just a few of the extracurricular honors to come her way in recent years: the Rotary Anns named her Woman of the Year in 1950 for her work with youth. The chamber of commerce made her its treasurer. Several civic clubs have appointed her an officer, and nearly everyone in Alva was a volunteer campaign manager when 20,000 teachers last year elected her president of the Oklahoma Education Association.

A pioneering spirit constantly plunges her into new activities and assignments. "I am not tolerant of monotony," she explains, and her students agree with her. Her classes may be difficult at times but they are never dull. She believes that 30 years of experience should be 30 new experiences, not the same one repeated 30 times.

"I only wish," says a parent who studied with Miss Donley 20 years ago, "that my two sons had the opportunity to learn from this talented, kind and lovable woman. I am confident they would be better able to face the problems of their adult world."

M'CALL'S HONOR ROLL OF TEACHERS FOR 1959

The following teachers, from 10 States, earned special mention for their significant contributions to the improvement of national teaching standards:

Martha C. Bigley, fifth grade, East Side School, Magnolia, Ark. With serenity and patience she guides this young age group into orderly learning habits. Teaching individually as much as possible so that neither the brightest nor the slowest is neglected, she gets exceptional results—particularly in reading classes.

Dorothy S. Ellison, science, Dora High School, Alabama. She has the rare gift of quality teaching despite crowded classrooms and limited facilities. Through workshops, individual projects and field trips her students keep ahead in science, particularly biology. For her stimulating class procedures she became Alabama's 1959 Teacher of the Year.

Dorothy N. Green, Latin, French, and English, Wells High School, Maine. She answered an S O S and returned to the classroom after 15 years of being housewife, bookkeeper, and mother. Crowding the hours with personal attention and piling on the homework, this "born teacher" convinced her students that if she could work that hard, so could they.

Mary M. Hawkes, science and photography, Hood River High School, Oregon. Although her career began in a 1-room school, she teaches brilliantly in the era of nuclear physics. Her students learn to live intelligently in a scientific world and to contribute to its advancement.

Fayna C. Kennedy, principal, Sewanee Elementary School, Tennessee. While managing a community school, she engages the help of university professors in pilot studies designed to enrich primary schools throughout her State. For her far-reaching ideas she was made Tennessee's 1959 Teacher of the Year.

Helen S. Knight, speech correction and counseling, Evanston Township High School, Illinois. She blazes trails in a new field, the education of handicapped children, helping the students solve career problems. Her work became part of a program to improve the State curriculum.

Willimina S. Lindsey, librarian and English teacher, Tolleson Union High School, Arizona. After special training this experienced teacher helped develop a library guide and book list for Arizona schools, and wrote the chapter on library instruction for high-school students. She also helped develop a policy manual for teachers.

Loretta Lynch, English and journalism, Bonners Ferry High School, Idaho. She teaches English to 135 freshmen, and journalism to juniors and seniors. She also is adviser for the school paper and yearbook. The paper has rated all State superior for 10 consecutive years—and that is how parents, students and associates rate this perfectionist teacher.

Vira F. Oswald, mathematics and science, Ouray High School, Colorado. Accelerated work for bright students is her specialty. This year her experiments include giving equal time and individual instruction to each geometry student, and providing double algebra content—with extra credit—to some of the sophomores. These and other experiments are part of a Ford Foundation project to improve small high schools of the area.

Donald W. Rasmussen, English and speech, Vermillion High School, South Dakota. A blending of literature, composition, oral reading and grammar all the way marks the work of this talented teacher. Four years of required English in his school, more efficient learning and improved standards of language are resulting.

NEW YORK EGG MONTH

Mr. KEATING. Mr. President, living as we are on the threshold of an age being ushered in with all manner of nucleonics, electronics, swivel seats, and spray cans, we sometimes lose sight of the fact that we Americans pretty regularly sit down at least once a day to a meal which appropriately includes eggs. In the course of a year our consumption amounts to an astounding 29 dozen eggs for each of us, man, woman, and child. It would seem appropriate, then, that we pause during this New York Egg Month to reflect a little on this bounty of ours which, by comparison with other peoples of the world, and with other periods of time even in our own country, approaches the fantastic.

For the egg, like so many of the blessings which are enjoyed by Americans, is all too often just another item of food which arrives at our table, we hardly know how. And some of us, I fear, do not care. Its availability, as well as its marvel as an almost perfect food, is taken for granted. But we should note its values and how it comes to us, as well as the fact that the days of the men and women who grapple with the great issues of politics and science probably started over a serving of scrambled eggs.

The egg ranks close to the top of the list of foods which contain large quantities of the amino acids which make up the bodybuilding blocks we know as protein. Proteins are vital to growth, they help to build immunity to disease and they control many of the body's processes. Eggs supply all the proteins necessary to growth and well-being, as well as most of the essential minerals. More than that, the egg is one of those delightful exceptions to the rule that what is good for us is too often somewhat disagreeable. It tastes good, whether it is "over easy" or in an elegant, mysterious French souffle, or in an angelfood cake.

While the egg has been around the world with man for a long, long time, its abundance is something relatively new. Today, it is the product of a vast and complicated array of production facilities and techniques which would stagger the imagination of the poultryman of 25 or 30 years ago.

Production of eggs in this country has jumped in the short space of 25 years from 3 to more than 5½ billion dozen a year, and the laying hen has become an efficient factory, using scientifically prepared feeds and receiving the attention of an army of highly skilled and trained technicians to produce the marvelous egg. Today the poultryman is less the farmer and more the factory manager, carefully balancing production input, checking the production line, applying the latest scientific findings, and keeping a weather eye on the intricacies of the markets.

While we laud the egg this month, we also pay tribute to the poultryman, for it is through his success as a businessman-farmer that the egg has found its way to us. New York poultrymen can take pride in knowing that our State, through their efforts, ranks in the upper quarter in the Nation of egg producers, and that they, in keeping the hens that produce nearly 2 billion eggs a year, account for more than $70 million of cash receipts to New York farmers—upwards of 10 percent of total cash receipts from farm marketings in the State. Because of their entrepreneurship with respect to quality and quantity, Americans are buying better eggs today for less money than 10 years ago.

Mr. President, I am pleased to take this opportunity to salute the men and women of the poultry industry during this month's celebration of New York Egg Month. I am pleased to salute the poultryman, the hen, and the egg.

FORTY-FIRST ANNIVERSARY OF INDEPENDENCE OF BYELORUSSIA

Mr. LAUSCHE. Mr. President, March 25 marks the 41st anniversary of National Independence Day by the Byelorussian peoples, and although at the present time these people are the slaves of their Communist leaders, and will have little opportunity to express their national traditional love of liberty and freedom, it is essential that those of us in the free world remember and honor the peoples of this captured nation.

A struggle for freedom has been an essential part of Byelorussian history since 1795, when Byelorussia was, by force of arms, conquered and annexed to Russia. In 1831, and again in 1863–64, the Byelorussians revolted against Russian colonialism, but each time were subdued by the Russian oppressors.

However, in 1917, when the Russian Empire collapsed, a Byelorussian Republic was formed, and endured until August of 1920, when it was occupied by Soviet forces.

Today the present Byelorussian Soviet Socialistic Republic, which has been accorded membership in the United Nations, retains only a fiction of sovereignty. Actually, the Byelorussians still remain slaves to the fearful colonial Communist Russian regime. Today, the peoples of this unhappy land suffer mass forced labor, chronic famine, and religious and cultural persecution. Mass arrests and deportations to Siberia all are indicative of their present lack of freedom.

In these days of Byelorussian trial and trouble, we can but extend our sympathy and good wishes to those Byelorussians who still hope for a republic truly free and democratic. Surely, in divine providence, the time will come when the Byelorussian dream of national independence will be realized. Until that day comes, Americans will continue to hope and pray with their brother seekers of truth and freedom.

Mr. KEATING. Mr. President, the pursuit of freedom has generated great conflicts among peoples and nations. But self-determination remains the dream of men everywhere. Acceptance of anything less means encroachment of a philosophy and system which submerges national expression. This can only result in the elimination of human dignity and the rights of man.

Few people are more aware of this than the Byelorussians, or White Russians as they have become known to us. For centuries the Byelorussians have been denied control of their own destiny. Here are a people, 15 million of them, in the area east of the old Polish border and west of Moscow, constituting a distinct national entity, united by cultural traditions, a common language, and a history of struggle, who repeatedly have been denied freedom. History reveals their plight.

From the late 1300's down to the 18th century and the partition of Poland, the Byelorussians were tossed between the Lithuanians, Poles, and Russians. Their homeland was the center of continuous strife and struggle. Through this entire period the Byelorussians were the unfortunate victims of alien interests and ambitions. They were subjected to harsh and cruel treatment and suffered indescribable tribulations under the rule of foreigners.

During these years of trial and suffering, they not only retained national identity but maintained their language and customs. After 3½ centuries of slavery the Byelorussians still desire to show the world they had a will to live as a free and independent people.

The chance came toward the end of the First World War when the ancient Russian regime was overthrown and the Czar's empire fell. At last, the Byelorussians were able to assert their national identity, and on March 25, 1918, their leaders established a government and proclaimed the independence of the National Republic of Byelorussia.

The Republic, so proclaimed, was destined to have a short existence. By March 1921 the Red armies had overrun the nation and ruthlessly subdued all resistance. The cherished light of freedom was extinguished, and once again Byelorussians suffered under the yoke of oppressors. Nevertheless, March 25 is recalled as the day when a dream was realized and when a freedom-loving people announced their independence to the world.

This earliest victim of Soviet aggression knows well the vicious and atrocious methods of the Communists. National independence has been denied. Her people have been dispersed. Attempts to assert freedom have met with brutal retaliation. An entire nation has been subjugated and made destitute, and her helpless people forced to bear witness to the mutation of their way of life.

Mr. President, Byelorussians are not allowed to celebrate their independence day. But, today, we along with many others, pause and pay tribute to this determined and courageous people. America stands before the entire world as the embodiment of the continued realization of freedom and independence. We, and the rest of the free world, must offer hope and extend encouragement to the valiant Byelorussians. We must work and pray for the day when these brave people will be able to practice openly the concept of liberty, free from the fear of oppression and tyranny. Until that great day, no true lover of freedom can rest.

Mr. JAVITS. Mr. President, today, March 25, marks the 41st anniversary of the proclamation of independence of the Byelorussian Democratic Republic in 1918. This independent state was relatively short lived, as it was partitioned between Poland and Russia by the Riga Treaty in 1921. During World War II, the people of Byelorussia again asserted their independence, but this freedom was also short lived, and Soviet domination was again asserted over the approximately 10 million inhabitants of that unhappy land.

On the anniversary of the declaration of Byelorussian independence we recall again the continuing valiant struggle of enslaved peoples behind the Iron Curtain. This struggle for independence stands as a tribute to all who believe in the principles of freedom and individual dignity, and reminds us again of the suppressed people denied their freedom who are behind the Iron Curtain.

GREEK INDEPENDENCE DAY

Mr. KEATING. Mr. President, today is the 138th anniversary of Greek independence.

Greece: The word alone invokes many images. We think of gods and goddesses, great battles and great heroes, sunlight, architectural beauty, and Byron. And too, the struggle for freedom in the land of freedom's birth, civil warfare, Cyprus, and a noble, proud and wise King and Queen.

These things and many more come to mind when one thinks of Greece. The whole Western World owes to Greece a debt that can never really be paid. In the largest sense, nations build upon each others' knowledge in the eternal struggle for the enlightment of man. This process is the mainspring of what we call civilization. It is to the ancient men of Greece that we owe the debt of formulating the practical philosophies of logic and education within the mind and on a communicative level. What gift could be more precious?

The Greek tradition has remained firm in its homeland and has spread over the rest of the world.

It is true that modern history has not always been kind to Greece. There was a long period of subservience to the Ottoman Empire before the archbishop of Patras raised the standard of revolt in 1821. The days that have followed have been a mixture of joy, destruction, hope, and frustration.

The agony of World War II took a heavy toll of the Greek nation in every sense of the term. Then came the bloody civil war, when the legitimate government had literally to fight for its life against the Russian-trained guerrilla bands that had infiltrated from the north. The United States came to the aid of Greece at once and our backing was a decisive factor in driving the Communists out of the country.

Now, at last, Greece is free. Under the inspired leadership of King Paul and Queen Frederika the country is slowly gaining back its strength and reasserting its place among the great nations of the world.

In relation to the present schism of ideologies within the world, Greece's attachment to the Western allies is a very important one. As a member of NATO, Greece acts as a bulwark against Communist aggression in the eastern Mediterranean. The Government has granted the United States the use of airfields and naval facilities within its confines and the Greek Army is supplied with modern arms and equipment under the NATO agreements. Thus, Greece's role within the free world is a vital and significant one.

The "glory of Greece" today may not consist of material wealth and military power. But the greater glory of the perceptive use of man's intellect—by which these other material manifestations gather meaning—is as alive and dynamic today as in the time of Plato and Pericles.

Mr. President, as a final tribute, I want to acknowledge the important contributions that Greco-Americans have made to the growth and diversity of American culture. There are roughly 600,000 Americans of Greek origin living in the United States. In every area of human endeavor, from expert cancer specialist to military hero, from the genius of Dimitri Mitropoulos in music to the stable ethic of the Greek Orthodox Church, from the friendly candymaker and congenial restaurateur we all have known to the Skouras brothers of the theater, the Greek people have contributed their unique, spirited, and excellent qualities of talent and leadership to the United States.

The United States has been in existence for 183 years. During that entire time we have lived under democratic freedom. Greece has been Greece for many centuries, but her modern freedom and territorial integrity has been in existence for only 138 years. However—and this is the important thing—

with all the slings and arrows of fate, Greece has remained. The ideals of liberty and justice—first nurtured by their forefathers—are no less strong in the Greek people today than they were during the time of Aristotle.

To the people of Greece, I send my greetings; to all that is Greek, I give my thanks.

Mr. DODD. Mr. President, all episodes in man's struggle for freedom are by their nature significant in the history of his long battle against the forces which would enslave him. But there are some soils of the earth in which liberty has thrived, blossomed, and fought for its existence in a peculiarly dramatic way. And it seems as if the people in those lands, having been born there, have absorbed into their very beings a far larger share than most of the inherent love of liberty which is in the souls of all men.

Greece is one of those lands.

Today is the 138th anniversary of that nation's independence.

And may I take this occasion to congratulate them first, on the part they have played in the new freedom milestone achieved by their neighbor nation, Cyprus, in her goal of eventual independence.

May I also congratulate the Greek nation on the new economic development program which she has launched during the past year in an attempt to give even greater economic freedom to her people.

And may I also take the occasion of this Greek Independence Day to recall for my colleagues a few highlights in this Mediterranean country's history which are connected in a special way with our own history.

On March 25, 1821, Bishop Germanos of Patras raised the flag of liberty over the Church of Aghia Laura near Kalavryta in Greece, which began the Greeks' war for independence from the Turks. To begin with, it was the ideas of liberty inculcated in the American and French Revolutions which inspired the Greeks anew to fight the Sultan of Turkey for their freedom. At first, Europe was indifferent, and it was men like Lord Byron, the English poet, dying at Messalonghi, who brought European forces around to a realization that this cradle of Western civilization—the Greek nation—must not remain enslaved. Americans were also fighting for Greek freedom 138 years ago, including Dr. Samuel Gridley Howe, Gen. George Jarvis, Capt. Jonathan Peckham Miller, Lt. William T. Washington, and a host of others. And when the fighting was over and the tragic debris of war cleared away, America shipped relief supplies to the Greek people.

Since that time the Greeks have stood shoulder to shoulder with the Americans, when freedom was threatened, and something could be done about it. When we were fighting Mussolini's dictatorship in Italy, the outnumbered, badly equipped Greek Army took on the Fascist legions and defeated them. It took Hitler's forces to temporarily conquer Greece. Some military historians believe—and I believe it, also—that the Greeks actually dealt a fatal blow to the Nazi dictatorship by resisting Mussolini's army so well, for the diversion of Hitler's forces into the Mediterranean country seriously impaired the striking force of his Russian invasion.

Americans and Greeks, again standing together under the Truman doctrine, defeated the Communist attempt to subjugate Greece. Today, when the United States, the Western World, and all the countries of the world, for that matter, are threatened by Communist slavery, the Greek nation is our outpost.

And as I examine the past I feel a deep confidence in this outpost and in the men and women who are manning it.

Before closing these remarks, I wish to comment about one of the principal sources of courage and faith in the Greek nation—their religious leaders.

In the Second World War, Bishop Damashinos, of Athens, restrained the Germans.

In Cyprus the Greek people have found an important leader in Bishop Makarios.

The Greek Orthodox Church itself has been the nucleus for the uninterrupted Greek tradition, despite the influx of the Goth, the Vandal, the Bulgar, the Turk, and the Nazi. I believe it will be a sturdy bulwark in maintaining that tradition in the face of current Communist threats.

We have good reason, therefore, to note this anniversary, and to congratulate the people of Greece on this occasion.

Mr. COTTON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared to commemorate the 138th anniversary of Greek independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GREEK INDEPENDENCE DAY—STATEMENT OF U.S. SENATOR NORRIS COTTON

Today, Wednesday, March 25, is Greek Independence Day, and it is a happy occasion for citizens of Greece, and for all who love freedom.

But it has a deeper significance and a meaning which must not be lost on the world today. Greek independence came in 1821, after 400 years of domination and tyranny under the Ottoman Empire. It is a clear warning that even 400 years of foreign domination is not a long enough time to strip the love of freedom from the hearts of a brave people. Courage, spiritual graces, and dogged determination enabled the Hellenic citizens to endure the centuries of foreign rule while preserving their hopes for eventual freedom. These same characteristics, encouraged by the example of the anniversary we observe today, will inevitably produce an end to the present Communist tyranny over Eastern Europe. This anniversary should give the masters of the Kremlin good cause for reflection as they plot their next moves.

This day also gives us an opportunity to acknowledge the great gifts which have come to us from Greece and from Americans of Greek ancestry. The influence of Greece, ancient and modern, on our civilization and our culture can hardly be overlooked. We in New Hampshire are proud, too, of our fellow citizens whose roots go back to Greece, and grateful for their contributions to our State.

My interest in Greece and in Americans of Greek descent has always been particularly keen because of my association with Senator George H. Moses many years ago. Senator Moses, of course, had been Minister to Greece before being elected to the U.S. Senate. He spoke fluent Greek and was an ardent admirer and stanch supporter of Greek culture and character. My association with him sharpened my awareness and understanding of Greek influence on our civilization and our way of life.

Mr. BRIDGES. Mr. President, during these days when so many of the peoples of the world are forced to live under the heel of communism, I think it well that we take time to reflect on the courageous efforts of the Greek patriots who fought against overwhelming odds to gain their independence 138 years ago.

March 25 marks the beginning of the valiant fight for freedom by the Greek people from Ottoman rule, in 1821. The countries which today are living under the yoke of an oppressive power can gain new hope from a brief review of this portion of Greek history. Although dominated for centuries by Ottoman rulers, the freedom-loving people of Greece never lost sight of the hope that some day they might free themselves.

The first great step in that direction was taken on March 25, 1821, when the revolutionary banner was blessed nd the call to battle issued. Patriots who had banded together in secrecy several years before, joined the fray. Greeks by the thousands answered the call. Peasants and fishermen, weary of the rule of a foreign empire, initiated guerrilla warfare as the beginning of a long campaign to wear down their oppressors.

The efforts of those courageous Greeks impressed the freedom-loving people of the United States; but only the supreme optimists believed that the revolution would ultimately bring independence to Greece. Because of the tremendous odds, the general feeling was that the uprising would soon be crushed, and that the Greek people would see a return to the days of oppression.

This country took a firm stand in favor of the Greek patriots. President James Monroe, in a message to Congress in 1822, expressed America's sentiment in favor of having Greece regain her rightful place among the civilized nations. In 1824, from the very desk where I stand today, the great New Hampshire statesman, Daniel Webster, delivered his celebrated oration on Greek independence.

The determination of the Greek people was not to be denied. With the aid of sympathetic volunteers from all over the world, Greece shook off the yoke of Ottoman rule, and gained complete independence in 1832.

America owes much to Greece, not only for her great contributions to culture and education, but also for the important role that Greek-Americans have undertaken in our society today. New Hampshire has every reason to be proud of her citizens of Greek ancestry. They have made, and continue to make, outstanding contributions to the enrichment of my great State. At this time, I wish to extend to these New Hampshire citizens and to the Greek people throughout the world congratulations on this 138th anniversary of the independence of their motherland.

SPECIAL REPORT OF ZELLERBACH COMMISSION ON EUROPEAN REFUGEE SITUATION

Mr. JAVITS. Mr. President, I wish to draw attention to the special report of the Zellerbach Commission on the European refugee situation, which was published earlier this month.

Under the leadership of Harold L. Zellerbach, one of this country's outstanding businessmen, and Angier Biddle Duke, president of the International Reserve Committee, and former U.S. Ambassador, to El Salvador, this Commission has carried out two surveys of the European refugee problem. Its most recent study is focused on the salient aspects of the problems which confront the free nations as they prepare to embark on World Refugee Year, which begins in June 1959.

The Commission has proposed that the western nations, accepting the refugees from communism as a collective responsibility, should meet in conference and work out a united plan of attack on the problem of the residual refugees. It believes that if each nation were prepared to accept its fair share, there would be no difficulty in resettling over a 2-year period the 165,000 nonsettled refugees estimated to be in Europe, the 10,000 European refugees who remain in mainland China, and the influx of some 25,000 refugees which may be anticipated over the next 2-year period, provided, of course, that there is no emergency comparable to that resulting from the suppression of the Hungarian revolution. The Commission's report points out that since the end of the war approximately 1,900,000 refugees have been settled; that just over 50 percent of these have been integrated into the European economy; and that America has absorbed approximately 25 percent, and Australia, Canada, and Latin American and other countries the remaining 25 percent. In addition, during this period Israel absorbed some 200,000 European Jewish refugees. Applying this rule of thumb formula, the Commission recommends legislation that would admit approximately 50,000 refugees to this country over the next 2 years.

What would a crash program of the magnitude proposed by the Commission cost? After weighing the matter carefully, the Commission informs me that it would cost approximately $6 million per annum for 2 years over and above our current commitments to various refugee programs. This is broken down roughly as follows:

Additional contribution to ICEM to cover cost of increased volume of movement, $1 million.

Additional appropriation for U.S. escapee program for integration projects in Europe, $1 million.

Grants to American voluntary agencies to finance economic rehabilitation of 1,500 handicapped refugees, $1,500,000.

Additional contribution to ICEM for movement of European refugees from mainland China, $300,000.

Additional contribution to United Nations High Commissioner for Refugees to make possible integration programs for out-of-camp refugees on the same scale as those now planned for in-camp refugees, $2 million.

In connection with the last-named item, I believe it is important to point out that our contributions to the United Nations Refugee Fund have been matched on a very generous scale by the other free nations. Of the total of $14,485,000 of governmental contributions to programs of the U.N. High Commissioner through 1958, the United States contributed $5,333,000, or just over one-third. Of the governmental contributions received by the U.N. High Commissioner for Refugees, $12,935,000 was disbursed by the U.N. Refugee Fund through 1958 for integration projects in the asylum countries—Austria, Belgium, France, Germany, Greece, Italy and others. This, in turn, was matched by supporting contributions from the governments of the asylum countries in the amount of $19,100,000. Thus, an investment of some $5 million on the part of the United States has, with contributions from the asylum governments and other Western governments, snowballed into a total program for the integration of refugees, costing over $32 million. As of September 30, 1958, the United Nations Refugee Fund reported that over 26,000 refugees had been firmly resettled through these projects and that some 20,000 others had been beneficiaries in varying degree. This accomplishment becomes all the more impressive when one remembers that the majority of the refugees resettled through the UNREF program had been static over a period of years and were, in one degree or another, difficult to resettle. Because of this, it has required an average expenditure of almost $1,000 per capita to bring about firm resettlement.

Through the work of the American voluntary agencies overseas and in this country; through the U.S. escapee program; through our support of the United Nations High Commissioner for Refugees; through the Intergovernmental Committee for European Migration; through the Displaced Persons Act; through the Refugee Relief Act; through Public Law 85–316; through the admission of more than 37,000 Hungarian refugees; through all these things, we have established since the end of the war a record of generosity of which we may be proud as a Nation.

I should like to say a few words in particular about the U.S. escapee program, since it was 7 years ago this month that the U.S. Government established the escapee program to assist newly arriving escapees from Communist tyranny. Working with the governments of asylum countries and with the United States and international voluntary agencies, USEP has in these 7 years made an outstanding contribution in helping these refugees to establish themselves as useful and productive members of society.

In almost every country bordering the Iron Curtain the refugee reception centers have been improved and the refugees are now given a warm and generous welcome and are assisted on their way to a decent life in the free world.

A total of 205,452 persons have been registered for USEP assistance. Of this number 117,779 have been assisted in resettling overseas in a country of their choice while 37,044 have been integrated as self-sustaining residents of communities in the asylum countries. To accomplish this goal, thousands of refugees have been given medical care, trained in languages and vocations, and placed in employment and private dwellings.

These refugees and thousands of other persons, including people still behind the Iron Curtain, are aware that these accomplishments are a direct and practical demonstration of U.S. concern for those who flee Communist oppression. I believe I voice the sentiments of all my colleagues in tendering congratulations to the U.S. escapee program on its seventh anniversary.

But we cannot rest on our past laurels. As of this moment, there is no legislation in force under which refugees from Communist tyranny can be admitted to this country. Meanwhile, the problem of the residual refugee, although reduced in magnitude, becomes more difficult—and more urgent—with every passing month.

Our own Government and the other Western governments have recognized the need for a special effort to deal with the refugee problem through their sponsorship of the U.N. General Assembly resolution calling for the observance of World Refugee Year, to commence July 1959. The purpose of this resolution—which the free world owes to the inspiration of the Crossbow Group of the British Conservative Party—is: First, to focus interest on the refugee problem; second, to encourage additional financial contributions from governments, voluntary agencies, and the general public; third, to encourage additional opportunities for permanent refugee solutions.

It is my honest hope that, having made the moral commitment implicit in the U.N. resolution on World Refugee Year, the United States will provide the moral leadership which our world position demands in the practical implementation of this proposal. This will, of course, involve both a substantial increase in our contributions for refugee purposes and legislation admitting a fair share of the refugees to this country.

I am convinced that such a program would have the sympathy and support of the American people. I am encouraged in this belief, among other things, by the recent formation of the U.S. Committee for Refugees, a broadly based independent citizens group, embracing representatives of the voluntary agencies, the AFL–CIO, the American Red Cross, and many prominent private individuals. The first function of this Committee will be to coordinate planning for the observance of World Refugee Year in the United States. The Committee proposes to carry on an educational and informational program to be developed through civic and fraternal organizations, industry, labor, and religious groups, as well as through mass media.

The formation of the U.S. Committee for Refugees has been given the encouragement of the Government. The Com-

mittee is in consultation with Government officials and Members of Congress on plans for the implementation of World Refugee Year. It is my understanding that they will shortly make their recommendations public.

Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD a condensed résumé of the findings and recommendations of the Zellerbach Commission on the European Refugee Situation. I do so because I feel it contains many significant and stimulating proposals which deserve the close attention of legislators and members of Government.

The Zellerbach Commission, I should like to point out, was originally set up as an ad hoc body of private citizens for the purpose of trying to do something about the problem. After 18 months of pioneering activity in the fields of research and public education, the Commission is now about to disband. I should, therefore, like to take this opportunity to pay tribute to Mr. Harold L. Zellerbach. Hon. Angier Biddle Duke, and the other members of the Commission—Hon. Eugenie Anderson, Mr. Irving Brown, Mrs. David Levy, Mr. Eugene Lyons, and Bishop James A. Pike—for their public spirit in initiating the undertaking, and for their good services in the interest of our country and of the refugees from totalitarian tyranny.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

THE PROBLEM OF THE EUROPEAN REFUGEES

Resumé of current information and of revised finding and recommendations of the Zellerbach Commission on the European Refugee Situation, March 1959

As of January 1, 1959, there still remained some 175,000 nonsettled European refugees. The great majority of these were concentrated in the so-called reception countries, Austria, Germany, Italy, and Greece. In Communist China there were some 10,000 European refugees, for the most part White Russians who had fled before the Bolsheviks decades ago, awaiting for exit permits and for opportunities to migrate overseas.

Most of the nonsettled refugees are either people who escaped from Communist Europe at various times since the end of the war or displaced persons who refused to return to their Communist-dominated homelands when the war was over. Represented among them is the entire roster of peoples enslaved by communism—Poles, Yugoslavs, Czechoslovaks, Balts, Hungarians, Bulgarians, Rumanians, Albanians, and a score of nationalities of the U.S.S.R. The totals given above also include some 15,000 postrevolution Hungarians who still remain in Austria and some 10,000 Yugoslav escapees who are concentrated in Austria and Italy.

The postwar period witnessed a massive refugee resettlement effort by the Western nations. All told, almost 2 million nonethnic refugees have been resettled, either through immigration or integration since the end of hostilities in Europe. Of this number, the Western European countries have between them absorbed more than 900,000. The United States has taken approximately 450,000; and the other countries of overseas reception have between them taken some 575,000. But although these statistics are impressive, they serve as no consolation to the refugees who have been waiting their turn for so many years. Nor do they serve as any deterrent to the Communist redefection movement—which is highly organized, conducts an unceasing propaganda campaign in many languages, feeds primarily on the accumulated despair of refugees who have waited too long, and utilizes each redefector as a witness for communism in the war of the radio waves.

THE "DIFFICULT TO RESETTLE" REFUGEES

In dealing with the Hungarian refugee influx that followed the revolution and with the European refugees in mainland China, the Western community has been flexible and generous in its attitude. But on the whole, the selection criteria of the overseas countries of resettlement have been rigid, with an emphasis on youth and strong backs. Many refugees in Europe lost out on resettlement opportunities because they were past 40, or because they had tuberculosis scars on their lungs, or because of some minor physical defect, or because a single member of their family suffered from a condition which made them unacceptable to the immigration countries. The result has been an accumulation, both in-camp and out-of-camp, of refugees who used to be referred to in the old days as hard core, but who are now referred to, in official parlance, as difficult to resettle.

The High Commissioner's survey of last year listed some 53,000 refugees as members of households which, for one reason or another, were difficult to resettle—this, of a total of 178,000 nonsettled refugees in Europe as of midsummer 1957. Since then some hundreds of old and tubercular people have been accepted by Norway, Sweden, France, and other countries. But because the hard core refugees are generally static there is little reason to believe that this total has been substantially reduced.

The problem is a large one—but not as large as the figure 53,000 might suggest. The clearly institutional cases among the difficult to resettle refugees are a tiny minority—about 2,500 all told, with several hundred dependents. Many of those listed as difficult to resettle suffer from no incapacitating defects and are quite capable, with some assistance, of becoming self-supporting either as individuals or as family units. This category in particular would benefit if the immigration countries could relax their rigid physical requirements. The third category consists of people who suffer from more serious handicaps; but even these can, with special effort, be rehabilitated and made self-sustaining or partially self-sustaining members of society. This has been conclusively demonstrated by projects for hard core refugees in Norway, Sweden, Germany, Belgium, and other countries. Some of these projects were described in our first report. Others are described in this supplement.

The problem of the difficult to resettle refugees can be solved if it is shared. But it cannot be solved if the entire burden, or the major part of it, is left on the shoulders of the several countries where the refugee residues are concentrated—West Germany, which is still coping with the problem of the 10 million ethnic expellees and refugees it has received since the end of the war, and poorer countries like Austria, Italy, and Greece, who have sizable ethnic refugee problems of their own.

THE YUGOSLAV REFUGEE PROBLEM

In 1957 some 26,000 Yugoslav refugees crossed the frontiers into Austria, Italy, and Greece; in 1958 some 12,000. There has been a tendency in the West to regard these escapees as economic migrants rather than as political refugees. The Commission believes that this definition is meaningless and that the Yugoslav refugees, like the refugees from other Communist-dominated countries, escape for a complex of political, economic, and personal motivations. This definition has, however, been used to rationalize a double standard for Yugoslav refugees and other refugees. Perhaps the most alarming aspect of this double standard is that almost 60 percent of the Yugoslav escapees who crossed the frontier into Austria during the course of 1958 were classified as economic migrants, denied asylum, and returned to the country from which they had escaped. Those not returned, though theoretically eligible for USEP assistance, are, by virtue of the same definition, denied certain categories of assistance available to refugees of other nationalities. (There have been some minor exceptions to this rule—most notably the decision in November 1958, to make the several hundred Yugoslavs in Camp Valka eligible for broader USEP assistance so that their movement could be expedited and the closing of Valka by the German authorities facilitated.)

The Commission was greatly impressed by the youth of the escapees, almost 80 percent of whom are under 25. They are not delinquents, but for the most part workers, peasants, and students. They have made their decision to flee apparently for the reason that they are part of the generation that is in ferment throughout the Communist world.

The Commission found indications that the treatment meted out to Yugoslav refugees was weakening the principle of asylum in general, so that there has been a small but perceptible tightening up in the treatment of refugees of other nationalities.

The Commission feels that the fact that it is considered in the national interest to support the Yugoslav Government financially does not, ipso factor, mean that this Government has abandoned the oppressive features of communism—or, to use the official terminology, that Yugoslavia has ceased to be a refugee-producing country. The question of aid to the Yugoslav Government and that of assistance to the Yugoslav refugees must be kept separate; one must be decided on the plane of political expediency, the other on the plane of morality and humanitarian considerations.

EUROPEAN REFUGEES IN MAINLAND CHINA

There remain in mainland China at the present time some 10,000 refugees of European origin who have asked for the assistance of the U.N. High Commissioner. The great majority of these refugees are white Russians and their descendants who fled from the present territory of the Soviet Union during and after the Revolution. They constitute the remnant of a much larger white Russian population, some thousands of whom accepted repatriation to the Soviet Union since the end of the war, but most of whom were able to migrate overseas. Those who remain in China today have demonstrated the strength of their personal convictions by resisting for 13 years the various pressures and inducements to accept repatriation to the Soviet Union. Though the Chinese Communist Government has thus far been willing to permit white Russian refugees in its territory to migrate to overseas countries, the position of the 10,000 who remain has become economically disastrous and politically perilous.

Between 1952 and the end of 1958, ICEM, in cooperation with Church World Service, was able to move European refugees from China to overseas destinations at an average rate of approximately 1,800 per year. At the recent meetings of the UNREF Executive Committee and the ICEM Council, there was talk of a 3-year program costing $4,500,000 to clean up the refugee situation in China.

The United States and other Western nations have responded generously to the emergency, so that ICEM already had assured to it sufficient funds for the movement of 3,200 refugees from Hong Kong to countries of overseas resettlement. In the light of this initial reaction, and of the very

real danger that exists, the Zellerbach Commission joins its voice to the several voices which have already urged that the planned 3-year program be accelerated, and that visas and transportation be made available for the refugees as rapidly as they can be moved from China to Hong Kong.

FINDINGS AND RECOMMENDATIONS

1. The refugee problem can be solved: The handling of the Hungarian refugee emergency demonstrates how much can be done when the will and the unity are there. Within the space of 10 months, some 170,000 were resettled. It is noteworthy that the number of unresettled refugees remaining in Europe is roughly comparable to the number of Hungarians resettled in so short a period after the mass flight from their country. While the 165,000 nonsettled refugees remaining in Europe include many difficult-to-resettle cases, there is every reason to believe that, given a concerted effort by the Western nations, the problem can be solved humanely and expeditiously.

2. There must be no more palliatives: We have, in effect, thrown lifebelts to the drowning, but left them in the sea. We now have to pull them to land. We must put an end to the flow of unproductive millions that have gone into camp upkeep, small subsidies, parcels, etc.—without helping the refugee to reestablish himself. The refugee must be given constructive aid that will enable him to become self-supporting and self-respecting, instead of being compelled to exist on alms.

3. The refugees from Communist rule are a collective Western responsibility: As things stand today, those countries which, by virtue of political accident, have common frontiers with the Iron Curtain, must bear the brunt of the burden. This is unfair to the refugees and unfair to the receiving countries. It represents a serious burden on the already strained economies of Austria, Italy, and Greece in particular. It is a source of unnecessary friction within the Western community of nations; and, since it impedes the expeditious processing of escapees, it also plays into the hands of the Communist redefection agents and the Communist radio.

4. The basic need—a crash program to be planned by a Western Nations Conference: To liquidate the residual refugee problem in Europe on a crash basis, the Commission proposes the convening of an international conference involving UNHCR, ICEM, and the free nations most concerned with the refugee problem, either as countries of first asylum or countries of immigration. It would be impossible to find a more appropriate occasion for the convening of such a conference than the scheduled launching of World Refugee Year in July 1959. The corollary of this position is that the World Refugee Year would be empty of meaning without collective action to deal with the refugee problem—and such collective action cannot be effectively organized unless the Western nations come together in some kind of conference at which the problem is examined and each nation assumes responsibility for a fair share of the refugees.

The Conference, ideally, should be reconvened on an annual basis to reexamine the situation and to renew agreements on the voluntary allocation of responsibilities among the participating nations.

It is to be hoped that such a conference would establish the principle of collective responsibility for the reception, care, and resettlement of all those who escape from the tyranny of communism in the years to come. In granting political asylum to escapees, the countries bordering the Iron Curtain cannot turn back a man simply because he has a TB scar on his lung, or turn back a family because one of several children is mentally defective. They must take them as they come—and, by and large, they have done so, in the spirit of the Geneva Convention. At the point of reception, the percentage of so-called difficult to resettle cases is very small indeed. If each of the resettlement countries were prepared to receive a fair share of the difficult cases among the new refugees, the problem could be broken down into portions of insignificant size—but if the difficult cases are permitted to accumulate year after year in the countries of asylum, the problem will again become as massive and burdensome as it is today.

It is the hope of the Commission that the Western Nations Conference, if convened, would deal broadly and generously with the refugee problem in an effort to wipe the slate clean. This would involve, first of all, preparing estimates covering all those categories of refugees who require assistance in one degree or another—the in-camp refugees, the out-of-camp refugees, the unintegrated refugees in the nonsurvey countries, the economically self-supporting refugees who are basically unintegrated and for whom emigration is the indicated solution, the institutional cases, the cases that lend themselves to rehabilitation, etc. Provision should also be made for the anticipated influx, if the 2-year cleanup program is really to succeed in cleaning up. Subject to some modification, here is a rough estimate of the scope of the problem confronting the Conference:

Nonsettled refugees, UNHCR survey countries	145,000
Nonsettled refugees, nonsurvey countries	20,000
Economically self-supporting refugees who are not integrated and for whom emigration is indicated solution	10,000
European refugees in China	10,000
Anticipated refugee influx over 2-year period	25,000
Total	210,000

5. The United States must enact legislation to admit a fair share of the residual refugees: If the United States is to initiate or participate in the initiation of a conference, it must come to the conference with its own commitment unequivocally stated. To provide the leadership which the Western World expects of us and to live up to our own tradition of asylum for the oppressed, the United States must enact legislation permitting a substantially greater number of Iron Curtain refugees to enter our country.

There is no mathematical formula for establishing what constitutes a fair share. In the light of past experience, it would be reasonable to assume that, even with enhanced opportunities for migration, at least one-half of the nonsettled refugees will remain in Europe. This means that the countries of oversea resettlement should be prepared to assume responsibility, as they have in the past, for approximately one-half of the residual refugees and of the anticipated refugee influx. Accepting this rough formula, a fair share for the United States would involve the admission of approximately 50,000 refugees over a 2-year period.

There are several ways in which the necessary legislation might be drafted. The most direct way perhaps would be to provide for the issuance of 50,000 nonquota visas to refugees over a 2-year period. Perhaps it would be possible, although this appears unlikely, to provide for the refugees within the framework of a rewritten immigration law. Perhaps the powers that be in Washington might find it simpler to bring in the refugees as parolees, as they did during the Hungarian emergency. (It should be pointed out here that the voluntary agencies working with refugees all have serious misgivings about the disabilities imposed on refugee immigrants by the parole provision.) The means are of secondary importance. What is essential is that our country provide moral leadership for a planned attack on the refugee problem during World Refugee Year by taking effective action on an appropriate scale.

As a variant which might conceivably provide more incentive for the other nations, the Zellerbach Commission has suggested legislation which—

(i) Authorizes the Secretary of State to convene a Western nations conference for the purpose of planning and taking concerted action to liquidate the residual refugee problem in Europe.

(ii) Authorizes the issuance within 1 year of 10,000 special nonquota visas to refugee escapees, with 1,000 reserved for difficult-to-resettle refugees.

(iii) Authorizes the Secretary of State to enter into arrangements at the conference under which the United States would admit two refugee escapees for every five refugee escapees (2 to 5) which the other participating nations commit themselves to admit or to absorb—with the understanding that the 2-to-5 commitment would also apply to the "difficult to resettle" refugees.

(iv) Authorizes the issuance of nonquota visas to refugees in the stipulated ratio of 2 to 5, if a satisfactory agreement is reached at the conference.

6. European refugees in mainland China: The Commission applauds the exemplary manner in which the Western nations have cooperated in the resettlement of European refugees from mainland China. To meet the present emergency, it urges that the remaining 10,000 refugees be moved out of mainland China to Hong Kong as fast as exit permits can be procured and that the United States and the other cooperating nations commit themselves to whatever additional funds may be required for maintenance in Hong Kong and for augmenting the volume of movement to overseas countries. In this instance, the United States should be prepared, if necessary, to make a special grant to ICEM in excess of the matching contribution to which it is already committed.

7. Yugoslav refugees: The Commission urges the U.S. Government, the United Nations High Commissioner, and the Governments of Austria, Germany, Italy, and Greece, not to apply one standard to refugees from other Communist countries and another standard to refugees from Yugoslavia. This means (1) that USEP should provide the same support for Yugoslav refugees as it does for others; (2) that overseas resettlement opportunities for them must be expanded; (3) that Austria, in anticipation of such relief, should revert to her more liberal refugee policy of the postwar years.

8. Reevaluation of the Geneva Convention: The Yugoslav refugee situation also points up the need for a restatement or reevaluation of the key definitions contained in the Geneva Convention on Refugees. As the Convention reads, a refugee is someone who has been persecuted or has well-founded fear of being persecuted. The fact is that the great majority of the refugees from all the Communist countries have fled not because they were personally persecuted or because they feared imminent arrest, but simply because life under communism had become intolerable to them. They have fled, in short, from the actuality of everyday oppression rather than from the fear of personal persecution.

9. The resettlement of escapees must be put on a current basis: Because of the accumulated refugee backlog and because of complicated screening and immigration procedures, the refugees escaping to the West since the end of the war have had to wait 4 to 5 years, on an average, for resettlement. (The Hungarian refugees were, of course, an exception.) This long waiting period is wasteful financially, imposes unnecessary suffering on the refugee, saps his morale and provides fertile grounds for Soviet propaganda and Soviet redefection agents. It

would be in the interest of the receiving countries and of the West in general to develop programs and procedures that would make it possible to resettle escapees within 6 months to 1 year of their arrival in the West—and, once the slate has been wiped clean of the residual refugee problem which exists today, there is no reason why this goal cannot be achieved.

10. The reception of new escapees should be humanized: As matters stand, the escapee's first real experience of the free world is not a pleasant one. In Germany, he has to endure a prolonged stay in Camp Valka, which looks more like a rundown concentration camp than a refugee reception center. In Italy, he will probably pass through San Sabba in Trieste, another dismal walled compound that once served as a concentration camp. In Austria, he is held incommunicado in a special detention center while his eligibility is being decided; in Greece and Turkey, he may have to spend many months under detention while he is being interrogated by the military who are in charge of the frontier area.

The Commission recommends:

(a) That the other countries of reception give serious consideration to the possibility of granting the refugees limited freedom of movement, as is the case in Germany and Italy, rather than imprisoning them or quarantining them pending a decision on their eligibility.

(b) That reception centers should not have a concentration camp atmosphere like Valka, but should, rather, be modeled after nearby Camp Zirndorf, which was set up with USEP assistance. The liquidation of the residual refugee problem in Europe and the closure of a majority of the camps now in existence should certainly make it possible to operate a few of the very best camps as model reception centers.

(c) That in the reception centers the greatest effort be made to provide the refugee from the very first with vocational training, part-time employment, and adequate recreational facilities. Refugees who are kept active in this manner will make much better material either for immigration or integration than those who have suffered from the blight of prolonged idleness.

11. Eligibility criteria and procedures:

(a) Screening procedures should be carefully reexamined with a view to providing the refugee with the same degree of protection as is accorded an accused person. The Commission believes that the joint government-UNHCR eligibility commission existing in Italy affords substantial protection to the refugees and provides a model that the other countries of reception should seriously study. To make the protection as complete as possible, the Commission also believes that the refugee who is denied status should have the ultimate right of appeal to the civil courts, as he does in Germany.

(b) Eligibility criteria should, insofar as possible, be made uniform for the countries of reception. The language of the Geneva Convention should be broadened as suggested in recommendation No. 8.

(c) Legal counselors should be available to all escapees during the period of their eligibility screening and afterwards.

(d) Finally, we recommend the establishment of a commission of internationally prominent jurists to study eligibility procedures and criteria in the various countries of reception, and to formulate more detailed recommendations for the protection of the legal and human rights of escapees.

12. The refugee backlog in Europe cannot be wiped out without a concerted and generous attack on the central problem of the so-called difficult to resettle refugees. Too much emphasis cannot be placed on this point. An international program of resettlement and rehabilitation for hard core refugees would, in the long run, be good humanitarianism, good economics, and good politics.

13. Greater support for UNHCR and ICEM: UNHCR, in addition to providing international protection for refugees, has been one of the two intergovernmental agencies actively concerned with their resettlement.

UNHCR has embarked on a "clear the camps" campaign, designed to shut down all the camps, with the exception of the reception and processing centers, by the end of 1960. This is one of the most imaginative proposals that has yet been put forward, and it merits the unstinting support of the community of free nations. The Commission would be happier if the same degree of attention as is planned for the in-camp refugees could be made available to the out-of-camp refugees. In many cases, indeed, the plight of out-of-camp refugees is more desperate than that of the in-camp. If, however, UNHCR's crash program is to be expanded to include the liquidation of the out-of-camp refugee problem simultaneously with the in-camp refugee problem, the general tempo of resettlement will have to be stepped up and the Office of the High Commissioner will require greater support from the contributory nations.

ICEM is the other intergovernmental agency concerned with the resettlement of refugees. Although it was set up for the primary purpose of organizing the transport of European migrants, it provides an entire range of supplementary resettlement services—documentation and processing, transportation, vocational training, etc.

Since ICEM is the only organization with the machinery and know-how for moving large numbers of migrants, any crash program to liquidate the refugee problem would require a proportionate increase in government contributions to ICEM.

14. Greater support for USEP: The U.S. escapee program since its inception has made a wide range of assistance possible for almost 150,000 refugees. With the exception of the Hungarian emergency, it operated from 1952 to 1958 on an annual budget of approximately $5½ to $6 million. The Commission was greatly impressed by the scope and effectiveness of the USEP program. By channeling its aid through voluntary agencies, it has given it the people-to-people quality which direct Government aid cannot give. From the standpoint of the concrete benefits and the happiness it has brought to those who have escaped, as well as from the standpoint of the ideological conflict with communism, the program is worth many times its cost in dollars. If the USEP budget were increased by several million dollars, as the Commission believes it should be for the duration of the 2-year crash program proposed, it would still be a minor item compared with the many millions that are being spent for cold war purposes.

This would enable USEP—

(a) To extend its assistance to several categories of refugees who are at present not eligible for its support;

(b) Where additional support is necessary for effective integration or resettlement (for example, students nearing completion of their university courses), to continue its support beyond the cutoff date now stipulated;

(c) To grant equality of support to Yugoslav escapees.

STRENGTHENING OUR LIBRARY SERVICES PROGRAM

Mr. WILEY. Mr. President, we recognize that today the expansion and improvement of our educational program is a matter of individual, State, and National concern.

The technological age demands, more and more, that our people have an opportunity to keep up to date on new developments in our economic, social, cultural, ideological, and other aspects of local, national, and international progress.

Throughout America, a splendid program is helping a great many of our citizens to fulfill their personal, civic, and patriotic responsibilities. I refer specifically to our library system, which is of tremendous value in meeting the educational needs of more than 70 million people in this country. However, I wish to stress that there are still about 26 million people in the Nation without library services at all, and about 86 million who do not have adequate service.

We recall that in 1956 Congress enacted the Library Services Act to strengthen the overall library program, particularly in rural areas. As enacted, the legislation authorized a maximum appropriation of $7.5 million for 5 years to be used for grants to the States. However, during no fiscal year since its enactment has the full appropriation been granted. For example, the recommendations in the 1960 budget provide for an appropriation of $5,150,000, an amount substantially short of the authorized limit.

Today I received a message from S. Janice Kee, secretary of the Wisconsin Free Library Commission, urging approval of the full $7.5 million for fiscal 1960, to help provide for continuous growth, expansion, and improvement of our library services.

I respectfully call this matter to the attention of our colleagues on the Departments of Labor, and Health, Education and Welfare Subcommittee of the Appropriations Committee for consideration in conjunction with the overall appropriations for the Office of Education.

Secretary Kee also sent along an outline entitled "Here's How the Wisconsin Free Library Commission Is Using Federal Aid To Help Rural Communities Have Better Public Library Service," illustrating the excellent way in which this fine program is serving our citizens in Wisconsin.

I request unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERE'S HOW THE WISCONSIN FREE LIBRARY COMMISSION IS USING FEDERAL AID TO HELP RURAL COMMUNITIES HAVE BETTER PUBLIC LIBRARY SERVICE

Books: The 66-year-old traveling library, because of the availability of Federal funds under the Library Services Act, has a greatly increased number of, and more suitable, books to fill requests from all parts of the State that have increased 29 percent this year. These requests for books come from people who do not have access to a local public library and from existing libraries which need supplementary materials.

Staff: The traveling library and field services staff has been increased from 26 to over 30 to meet the service demands. In addition to the necessary employees for classifying, cataloging, and processing the increased number of books, other employees have been added. These include: a research associate, to observe and study existing rural library programs and to help formulate recommendations for improving them; a public library

consultant to give special attention to helping local libraries improve services to adults; a bookmobile driver, and special experimental and study project supervisors.

Bookmobile: A modern demonstrator bookmobile, with a collection of 2,200 books for adults, young people, and children, is available (1) to exhibit locally, or (2) to put into operation in a bookmobile project.

A bookmobile exhibit gives the people of a locality a chance to see and examine a bookmobile and its content for a period not shorter than 1 day, nor longer than 1 month, at no expense to the locality. Bookmobile exhibits of 1 month's duration have been sponsored by the people of Waukesha, Ashland, Bayfield, Iron, and Price Counties in 1957–58. One-week exhibits have been held in Dodge and Barron Counties. The vehicle has been shown at county fairs and other special meetings in La Crosse, New Richmond, Amherst, West Bend, Madison, Stevens Point, Eau Claire, Fennimore, Fort Atkinson, Oconomowoc, and Menasha.

A bookmobile project provides people in a locality the actual experience of using bookmobile service for a period of not less than 3 months nor for longer than 1 year. Bookmobile projects now in advanced planning stages by local people include (1) one 6 months to 1 year project in Ashland, Bayfield, Iron, and Price Counties; and (2) a 1½-year project in Langlade, Lincoln, Oneida, Vilas, and Forest Counties.

With grants made to the library boards in Milwaukee and Shawano, additional bookmobiles will be put into service this year.

Special projects: Wisconsin's State plan provides for four different patterns of local library development, and Federal funds under the Library Services Act may be used in any of these ways: (1) developing federations of libraries by contract, (2) establishing county or multicounty public libraries, (3) demonstrating improved quality of service on a county basis where county government supports library service, and (4) developing contractual library service for rural areas from existing strong urban libraries. All of these patterns are now being tested in Wisconsin, using Federal funds.

1. Southwest Wisconsin library processing center: Eighteen independent, small public libraries in the five counties of Grant, Lafayette, Iowa, Richland, and Crawford have signed an agreement with the Free Library Commission to participate in a centralized ordering, classifying, cataloging, and processing book project, aimed to benefit the small libraries, both financially and professionally.

2. County library committees have been appointed by county boards of supervisors to study library conditions and make recommendations in the following counties: Waukesha, Barron, Jackson, Chippewa, Eau Claire, Walworth, Ozaukee, Ashland, Bayfield, Iron, Price, Green Lake, Waushara, Lafayette, and Kenosha.

3. Shawano City-County Library Board will receive grants of Federal funds for 3 years (totaling $44,700) to improve their countywide library service, with emphasis on services to adults.

4. Milwaukee Public Library has received a grant of $38,700 for the purpose of extending bookmobile service in five rural political subdivisions of Milwaukee County.

In-service training: Eight regional workshops were held in 1957 to study the provisions of the Library Services Act and Wisconsin's State plan for the further extension of library services to rural areas. With the use of Federal funds for travel of public library consultants, a greatly stepped-up program of in-service training programs for librarians and library board members in rural areas has been carried out in 1958–59; some 27 different 1-day training sessions have been conducted for people in one or more counties. In 1958, a statewide 2-day training program for library board members (a Governor's conference) was financed in large part by Federal funds under the Library Services Act.

Scholarship program: In 1958–59, 2 $1,000 scholarships were awarded to qualified residents of Wisconsin for graduate study in library science, and 15 $50 scholarships to librarians for taking a directed study course (DS–300) in library science offered by the extension division, University of Wisconsin, in 5 different locations around the State. The library commission will offer scholarships again in 1959–60.

Statewide survey: Beginning in 1959, the University of Wisconsin will conduct a study of the role of the public library in the educational development of the State, the most effective local unit of administration, and possible ways of improving library service. This study will be financed by Federal funds under the Library Services Act.

Public information program: The Wisconsin Library Bulletin has been enlarged to include full information on the State plan for developing public library service and for reporting fully all activities under the Federal grants program. An increased number of leaflets and brochures on various aspects of library service and development have been published and distributed, and special mailings to librarians and library board members have been made more frequently as a result of having Federal funds available. A concentrated effort is being made to acquaint localities with the potential use of the Federal money in the implementation of the State plan.

SOVIET MISSILE BASES

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Soviet's Missile Bases," written by Hanson W. Baldwin, and published in the New York Times of March 25, 1959. The article is extremely interesting, and should be important to all our citizens.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET'S MISSILE BASES—WASHINGTON FINDS NO PROOF MOSCOW HAS CAPABILITY OF LAUNCHING ICBM's

(By Hanson W. Baldwin)

Despite the repeated alarms in Washington, hard evidence of Soviet capability of launching long-range missiles is still absent. No verification has reached this country of numerous reports published here and abroad of the identification of ballistic missile launching pads. Several such reports have been investigated and were found to be erroneous. Launching sites for both intermediate range and intercontinental ballistic missiles could, of course, be hidden in deep forests, or placed underground or deep in mountainous valleys, or they might be mobile.

But extensive underground construction would probably be detected, at least in the case of some sites, after a lapse of time. And intermediate range ballistic missiles—the Soviet types of these have ranges of 700 and 1,100 miles—would have to be emplaced, if they were to reach Allied targets, somewhere near the periphery of the Communist heartland.

The satellite areas have never been as thoroughly sealed off as Russia itself, so that sooner or later any extensive missile emplacements in Eastern Europe probably would be detected.

Many observers believe that Russia expects to utilize mobile launching sites for at least her intermediate range ballistic missiles: at sea, submarines, and on land, specially designed railroad flatcars. But again there is no conclusive evidence, as yet, of any such launching systems.

If Russia had hundreds of 700 or 1,100-mile ballistic missiles mounted on flatcars, some of them almost certainly would have been seen by now. One or more of the Soviet Z-class submarines, the largest submarines yet built in Russia, apparently have been modified to launch what some experts believe may be short-range ballistic missiles. But so far this is the only hard evidence of Soviet missile-launching sites anywhere.

This purely negative evidence cannot be construed to mean, of course, that the Russians have no operational ballistic missiles. In fact, other hard evidence suggests that they have a significant number, probably in the hundreds, of 700-mile missiles in the hands of troops.

It is probable that these missiles can be fired from mobile launchers, from hard-surfaced roads or quickly improvised launching sites. In any case, no fixed permanent installations have been discovered.

Available evidence suggests that the Russians have few, if any, 1,100-mile rockets in operation. Originally, it was believed that the 700 and 1,100-mile rockets were part of the same "family," but it is now believed the two are distinct types.

The importance of the 1,100-mile missile is that its additional range would enable it to reach a few bases and missile sites that are beyond the range of the 700-mile rocket. Because of its increased range its launching sites could be moved well back behind the Communist frontiers.

In the intercontinental ballistic missile field, we have detected the firing of only one Soviet missile this year at a range of more than 3,000 miles.

This brings the total recorded firings of Soviet long-range missiles (beyond 3,000 miles) to seven. It is possible, though this possibility is not rated too highly, that the Russians have established an Arctic test range, beyond the reach of our two long-range surveillance radars in Turkey and the Aleutians.

In any case, best estimates are that the U.S.S.R. now has, or soon will have, a few ICBM's in operation (though not too reliable). If present estimates of Soviet capabilities are correct, and if the Russians utilize those capabilities to the maximum, the Russians may have roughly 100 ICBM's some time in 1960 and perhaps 500 by late 1961, more probably some time in 1962.

Contrary to popular impression, the Russians are still producing piloted bombers, though at a slow rate. They now have about 150 heavy bombers, and are believed to be producing one Bison a month.

The Bison is Russia's standard heavy bomber, with four jet engines. Apparently none of the turbo-prop Bear bombers has been produced for the last 2 years.

Small production of the Badger two-jet medium bomber, roughly comparable to our B–47, is continuing. The U.S.S.R. may have built up its total number of mediums to more than 1,000 by some time this spring.

THE AGRICULTURAL AND UNEMPLOYMENT PROGRAMS

Mr. BRIDGES. Mr. President, we are confronted again this year with reviewing our farm program, as well as the extension of unemployment benefits. These two programs unfortunately have something in common. Both provide payments for nonproduction and both situations have arisen in part through automation. Congressional intention has been and continues to be the seeking of a practical solution in the present dilemma.

Two recent newspaper articles point out the experiences of two persons who enrolled in these respective programs. The first article appeared in the March 9, 1959, issue of the Detroit Free Press. It tells of one man's experience with the farm-support program. The experiences of the author of that article are not unique, I am told. I commend its reading to my colleagues, and ask, Whither are we going?

In our unemployment program we are attempting to be equally as helpful in extending unemployment compensation to those who are separated from their positions through no fault of their own. Separation from one's employment by entering the state of holy matrimony now has a dubious distinction. A news item in the Washington Star of March 13, 1959, indicates that that status, as far as unemployment benefits are concerned, should be treated as an illness or other event of such consequence as to qualify the participant. Undoubtedly, there exists adequate legal argument which would sustain this position. I have no doubt the granting of benefits in both the instances that I have cited is legally defensible. What is of grave concern to me is whether, irrespective of their legality, they are morally defensible to the American public.

Legislation extending unemployment benefits, as well as the farm-support program, will soon be considered by Congress, and careful scrutiny should be given to eliminating obvious defects which make possible the carrying of these programs to the ridiculous extent which these news articles highlight.

I ask unanimous consent that the news articles I have mentioned be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Detroit Free Press, Mar. 9, 1959]

GOVERNMENT GENEROSITY OK AS LONG AS IT'S FREE

(By Royce Howes)

When a subject like Stanley Yankus comes along and the talk turns toward farmers who get paid for not growing wheat, I speak from experience—and shush everyone while I do.

I, too, have been a beneficiary of that delightful taxpayer generosity which enables the Department of Agriculture to pass around money the way Congressmen once distributed free seeds.

You might say, in fact, that I was a beneficiary doubled in spades. I got paid for not growing wheat without even being a farmer.

It only lasted 2 years, but it might have run on in perpetuity except that the Government infuriated me with its arrogance.

All this happened a long yesterday ago when, as a favor to a pinto saddle horse, I moved my household to the country. Not suburbs, understand. The real thing.

On the tick of H-hour, D-day, the van stopped under the driveway's cedars. At H-hour plus 2 minutes, I drew my car in behind the van and alit. At H-hour plus 4 minutes another car pulled in behind mine and a man with a thick dossier in his hand got out.

The man spread his dossier on the fender of my car, indicated a dotted line, offered a pen and asked me to sign. Alertly, I asked why. He said it would be my pledge not to raise more than my quota of wheat.

At some time quite past, the former owner of my acres (about 30) had raised poultry (like Mr. Yankus) and had grown wheat to feed them (also like Mr. Yankus). So the land had a quota, and if you stayed inside the quota you got money.

On principle, I sparred a little. The man beguiled me with the back page of the dossier. It carried an aerial photograph of just what you saw when you flew over my new home.

I took it right kindly that the taxpayers had footed the bill for an airplane to take a photographer up and make such a neat little picture—with the orchard trees showing as dots, the buildings as rectangles and the county ditch as a meandering thread.

It was a conspicuously worthwhile expenditure for any government buying conversation pieces.

In gratitude, and for the money, I gave in and signed. The only risk seemed to be that I might go to jail or have my chattels confiscated as the result of buffoonery on the part of Nature.

If wheat somehow began to spring up all over the place there would be almost no chance of my recognizing it in time to start combing the atlas for a country with a weak extradition treaty.

That winter and the next winter I received checks in exchange for my signature—and marveled at the unbounded good will of the taxpayers who put up the money and the Congressmen they sent down to Washington to spend it.

Then came the third year and there appeared that Government arrogance previously mentioned. It wanted me to put up a buck of my own. If there is anything unbearable to a man riding the gravy train it's to be asked to put up a buck of his own money.

It worked this way. The man who had gotten me aboard the gravy train said I'd be put off at the next stop if I didn't keep up the productive capacity of the land on which I did not produce.

The requirement to keep qualifying, he said, was that I buy one ton of fertilizer. Through governmental arrangements, I could get the ton for one dollar, fee simple.

I tried to get out from under by arguing that I wouldn't know where to put the fertilizer. All traces of where wheat had grown in yesteryear were long since gone.

To that he had a rule-book answer. I wasn't required to spread the fertilizer anywhere. All I needed was a receipt showing I'd laid out my buck for it.

That's the Department of Agriculture—lead you on with fair words and fancy promises, and then spring one like that. I withdrew from the wheat program in a dollar's worth of high dudgeon.

I might have gone on getting those checks for years. The chap who bought the place from me might be getting them yet. But a man who's been getting something for nothing develops a hard pride which forbids parting with what is his.

Sometimes people ask if memory of those checks doesn't embarrass me. Of course not. The taxpayers and the Congress wanted me to have that money, else why would they have provided funds and a law?

And I'm not one to rebuff kindness with scorn—at least not until a supposed benefactor shows his true face the way the Government did in the matter of that dollar's worth of fertilizer.

[From the Washington Star, Mar. 13, 1959]

JOBLESS BENEFITS DUE WOMAN WHO QUIT TO MARRY

ALBANY, N.Y., March 13.—A woman who quit her job to get married is entitled to unemployment insurance, the Court of Appeals says.

The State's highest tribunal, in a 5–2 decision yesterday, said a lower court was right in allowing benefits to Mrs. Keith I. Shaw, of North Tonawanda.

Mrs. Shaw quit work as a clerk-typist at an Albany insurance company in July 1956, saying she planned to be married and move to western New York.

Her employer contested her claim for unemployment insurance in court.

The appellate division decided 3–1 in Mrs. Shaw's favor, ruling that marriage "ought to be treated as illness or other events of important personal consequence to the worker."

ANALYSIS OF 1958 ELECTIONS

Mr. BRIDGES. Mr. President, there appeared in a recent edition of the Washington Sunday Star an article which I am sure will be of more than passing interest to Senators on both sides of the aisle.

The article concerns an analysis of the 1958 election returns by Congressional Quarterly. For the first time, the analysis makes available a district-by-district breakdown of the 1958 races for Governor, Senator, and Representative.

This analysis appears to be highly significant in the light of the 1960 elections, for it indicates that the Republican candidate for President can or will win even if the party as a whole fares no better than it did in 1958.

Admittedly, to a certain degree the article is based on supposition, but it certainly bears out the plain fact that the Republican Party is alive and kicking and not about to write off the 1960 elections because of any previous setbacks.

I ask unanimous consent that this very interesting article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIGURES SHOW GOP CAN WIN PRESIDENCY

A Republican candidate can be elected President in 1960 even if the party as a whole does no better than it did in 1958.

He can be elected without carrying a single State of the once-solid South. He can win without carrying one of the border States.

He can also lose Alaska, California, Colorado, Connecticut, Hawaii, Massachusetts, Montana, Nevada, New Mexico, Oregon, and Rhode Island to the Democratic nominee—and still he will win.

All he has to do is run between 1 and 5 percent ahead of the Republican congressional ticket in the 23 remaining Northern States, and he will win—even if the congressional Republicans in those States do no better than they did in 1958.

That is the surprising fact that is demonstrated by an analysis of official 1958 election returns by Congressional Quarterly.

BREAKDOWN OF RETURNS

The analysis makes available for the first time a breakdown by congressional districts of the official returns on the 1958 races for Governor, Senator, and Representative.

Is it reasonable to suppose that anyone the Republicans nominate in 1960 can run 1 to 5 percent ahead of the GOP congressional ticket?

This is what the CQ figures show:

Mr. Eisenhower ran 5.6 percent ahead of the Republican congressional ticket in his 1952 victory, and 8.7 percent ahead in 1956.

More to the point. New York's Gov. Nelson A. Rockefeller ran 5.8 percent ahead of the State's congressional ticket in 1958.

Four other Republicans—Senator Goldwater, of Arizona, Gov. Mark Hatfield, of Oregon, Senator Beall, of Maryland, and Gov. Christopher Del Sesto, of Rhode Island—ran even farther in front of the GOP ticket in their States in 1958, but none of them is considered a presidential hopeful.

NIXON RACE CITED

In his last solo race, when he ran for the Senate in California in 1950, Vice President NIXON ran an even 7 percent ahead of the Republican congressional ticket. But that showing is marred somewhat by the fact that Mr. NIXON'S 1950 running mate, then Governor, and now Chief Justice Earl Warren, ran 12.8 percent ahead of the congressional ticket and 5.6 percent ahead of Mr. NIXON.

Governor Rockefeller, Senator Goldwater, Governor Hatfield, Senator Beall, and Governor Del Sesto, on the other hand, all topped the tickets in their own States in 1958.

Here is exactly how a Republican presidential victory could be achieved without any basic improvement in the party strength:

In 1958, when the Republicans took a fearful drubbing in the congressional races, GOP candidates for the House received a majority of the statewide vote in only six States, with 30 electoral votes. Those States were Nebraska, New Hampshire, North Dakota, Utah, Washington, and Wyoming.

First, suppose that in 1960, Republican congressional candidates do not improve their showing anywhere, and suppose the GOP presidential nominee runs exactly even with the congressional ticket.

Obviously, he would win only the same six States and 30 electoral votes.

Next, suppose he runs 1 percent ahead of the congressional ticket. Immediately dramatic things happen. He wins Arizona, Delaware, Iowa, Kansas, New Jersey, Ohio, and Pennsylvania, with an additional 98 electoral votes, bringing his total to 128.

MORE FOOD FOR THOUGHT

If he runs 2 percent ahead of the ticket, he gains Idaho, South Dakota, Vermont, and the big prize of New York—another 56 electoral votes.

By running 3 percent ahead of the ticket he gains Minnesota's 11 electors, and his total is up to 195.

He runs 4 percent ahead of the ticket and he gains 50 more electoral votes in Indiana, Maine, Michigan, and Wisconsin.

Finally, he runs 5 percent ahead of the ticket in Illinois, wins its 27 electoral votes and has 272 in all—three more than he needs for election.

A numbers game? Perhaps. But remember Governor Rockefeller ran almost 6 percent ahead of the ticket in New York. Mr. NIXON, with a boost from Warren, ran 7 percent ahead of the ticket in California.

It's enough to give pause to the Democrats.

JOINT FOREIGN AID BY WESTERN NATIONS TO UNDERDEVELOPED COUNTRIES

Mr. MONRONEY. Mr. President, today's New York Times carries a story entitled "Joint Foreign Aid Weighed by West," under Harold Callender's byline from Paris, which reports the growing interest among the Western allies in a joint program to promote economic development in underdeveloped countries as a counter to the monolithic and completely regimented offensive of the Soviet Union in this field. This report of a widespread recognition of the necessity for a joint effort among the free nations of the world is a most encouraging development.

As the Members of the Senate know, this is a course many Members have been urging for some time. At the last session, the Senate passed by an overwhelming vote Senate Resolution 264, calling for study by the National Advisory Council on Financial and Monetary Problems regarding establishment of an International Development Association as an affiliate of the World Bank. More recently, the Congress has endorsed the President's proposal for a substantial increase in the resources of the World Bank itself.

I believe that the provision of assistance for economic development on a joint basis through international organizations will represent a significant step forward in achieving more effective results, and in broadening participation in this urgently needed work. This is not the sole burden of the United States, but one which must be borne by free peoples everywhere.

I ask unanimous consent to have Mr. Callender's article inserted at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOINT FOREIGN AID WEIGHED BY WEST—PROGRAM TO SHARE BURDENS LONG BORNE BY UNITED STATES SAID TO BE UNDER STUDY

(By Harold Callender)

PARIS, March 24.—An official survey published in Washington last weekend showed that economic aid by the Soviet Union and its satellites to underdeveloped countries was increasing. The amounts of this aid were compared with the much greater sums coming from the United States.

The United States was the great pioneer in economic aid, first to Europe, later to the Middle and Far East and Latin America.

But now that Europe has recovered, it also has become a source of capital for needy areas; and there has been much discussion of placing such aid on a combined basis, with Europe taking more of the burden long borne only by the United States.

Michel Debré, Premier of France, in a speech in Constantine, Algeria, said France intended to make Algeria "a model for all of Africa as regards economic development and social progress."

ALGERIAN DEVELOPMENT PLANNED

This means the industrialization of a hitherto mainly agricultural country, a long-range program that is expected to cost France about $5,700 million in the next 4 years. About one-third of this is to come from the French national budget. Private capital is expected to help, notably in developing the oil of the Sahara.

As in the case of U.S. aid, which seeks to check Soviet influence in underdeveloped countries, French aid to Algeria and the rest of the French overseas community has a political aim. It seeks to keep these territories attached to France.

This aim is not dissimilar to that of the United States, since the French believe their presence in Africa is an obstacle to Soviet influence as well as a factor of security for France.

AID BY BRITAIN CITED

Sir David Eccles, president of the British Board of Trade, said in a speech at Capetown, South Africa, that the Western nations should cooperate economically as well as politically in resisting communism. Their resources are greater but communism has the advantage of regimentation, he remarked.

Apart from such special aid projects as the Colombo plan for Asia, Britain has been helping underdeveloped countries by exporting capital to them. It has been officially estimated that since World War II 70 percent of the flow of capital into the sterling commonwealth area came from Britain. In the 3 years 1953–56, this capital amounted to about $1,400 million.

The sterling commonwealth area includes not only Australia and New Zealand, underdeveloped industrially, but such nations as India and Ceylon, which also have received financial aid from the Soviet Union, according to the Washington survey. Canada is excluded.

British officials say Britain seeks to gain from foreign transactions everywhere about $900 million a year to build up her monetary reserves, to pay foreign debts and to lend overseas. This overseas lending is a traditional British practice. It is a form of aid to the underdeveloped areas that began long before it acquired special interest from the cold war.

Another form of aid for underdeveloped areas is the development fund for overseas territories that the six European common market nations will set up in the next 5 years. The fund will be $581 million.

Except for the Belgian Congo and the small territories of Italy and the Netherlands, the underdeveloped areas to benefit from this European fund are French.

THE COLD WAR DILEMMA FACING THE UNITED STATES TODAY—EDITORIAL FROM THE MANCHESTER UNION

Mr. BRIDGES. Mr. President, I should like to bring to the attention of Members of the Senate a very fine editorial which was published on March 18 in the Manchester (N.H.) Union. The editorial entitled "On Borrowed Time," goes right to the heart of the cold war dilemma facing the United States today.

In the words of William Loeb, the publisher, "If we do not arm the United States adequately, none of us will be around to enjoy anything."

To assure our future capability to strike a devastating blow at any enemy who dares attack America, the editorial urges we build a large fleet of Polaris submarines and missiles and construct underground missile launching sites for ICBM's loaded with hydrogen bombs.

I heartily agree that these are two things, among many which we must certainly do, to assure our military preparedness against the future threats from the Soviet Union.

I also agree with the view that the American people are not willing to gamble their lives away in order to keep a balanced budget. Certainly, the American people would rather pay more taxes or cut down on other Government spending so as to assure unquestioned national security.

Mr. President, the time has come for some straight talk about our national survival and the civilian economy. These are not ordinary days. We are engaged in a daily struggle with Communist empire builders who have challenged America to a fight to the finish.

Both the Communists and ourselves possess weapons of vast destructiveness and terrifying horror. If America did not have these weapons and the means to deliver them to enemy targets, it is doubtful that there would be a United States of America today. It is this very

military strength that has so far spared us from attack, in my opinion.

For the foreseeable future, belligerent communism will pose a steady threat to our survival. New means of attack will put us in ever more deadly peril. We must have in being at all times the forces to withstand an attack and to carry the battle back to the enemy's homeground. Only in this way can we hope to deter the Communists from striking our homeland.

In order to have such military strength, we are not faced with an "either/or" decision. We do not have to choose between adequate national defense or a balanced budget.

There is no question to my mind, Mr. President, that this Nation can have the strength it needs for security. I agree with President Eisenhower that the "American people want, are entitled to, can indefinitely pay for, now have, and will continue to have, a modern, effective, and adequate Military Establishment."

I likewise agree with the President that "a balanced budget in the long run is a vital part of national security."

I say we can have both.

We can do it by putting first things first. Our defenses come first, to my way of thinking.

We can do it by withholding our dollars from such Communist countries as Poland and Yugoslavia and from so-called neutral countries such as India and Indonesia.

We can do it by stopping the waste in some of our foreign economic aid.

We can do it by holding the line against creating new Government agencies, new Government programs, new Government functions—except where they are vitally needed for our survival.

We can do it by economizing in everyday Government operations, by cutting out waste and frills.

We can do it by postponing all but the most urgently needed Government programs. We cannot do everything we would like to do in civilian programs, and still provide sufficiently for our national security.

Even the richest nation in the world cannot finance every desirable project simultaneously. We must channel our resources into the most necessary programs.

When a family faces the need to live within its income, it does not decide to do without the food the baby needs. Instead, it does without pie, cake, and candy.

As a nation, we can live within our income, and can still provide amply for the deterrent forces we need in order to survive, if we just cut out the frills, the extras, the things we can do without for the moment.

The shield which today protects our freedoms from outside attack is our strong, prepared, alert Military Establishment. If we are to keep our freedom, we must be willing to keep our shield strong and our sword sharp.

A contemporary observer summed up the situation when he wrote:

> If a nation values anything more than freedom, it will lose its freedom; and the irony of it is that, if it is comfort or money that it values more, it will lose that, too.

Mr. President, the sooner the American people realize the defense needs we face for years to come, the sooner they will be willing to moderate their demands for larger civilian programs financed out of the Federal Treasury.

The sooner the American people realize the need for modern armaments, the sooner they will be willing to tighten their belts and make the sacrifices necessary to sustain our defense effort over the years of peril ahead.

Mr. President, I ask unanimous consent to have printed in the RECORD, as part of my remarks, the Manchester Union editorial which so ably highlights the issue of survival.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON BORROWED TIME

The present Washington debate between the President and the administration on the one side and leading Democratic experts on defense, such as Senator SYMINGTON, on the other, on the question as to whether or not this Nation is adequately armed, is frightening.

No matter what disagreements there may be between Democrats and Republicans, one question should never have to be debated. That is whether the defenses of this Nation are strong enough to save our national life.

The overwhelming majority of Americans, this newspaper is sure, are not willing to gamble their lives away in order to keep a balanced budget. They would rather pay more taxes or cut down on other Government spending than to have any question whatsoever as to whether this Nation is in a position to defend itself.

One suggestion, recently made, makes a great deal of sense to this newspaper. It is that we spend whatever money is necessary for a large fleet of atomic-powered submarines and the Polaris missiles with which to arm them.

These submarines could stay hidden almost indefinitely. They need not even surface to fire their missiles. Thus the enemy would have a terrible time knowing where they were.

The Russians would then hesitate to destroy the United States by hydrogen bombing because even if the United States were to be destroyed, the hundreds of U.S. submarines cruising undetected under the surface of the water could still destroy every living thing in the Communist slave camps; this is, Russia and China.

This same authority suggests that it is time to stop fooling around with what is known as soft missile bases; that is, above-ground missile bases.

All future missile bases should be buried deep in the earth where they, too, cannot be destroyed, no matter how severe the attack against the United States. With such bases, adequately armed with hydrogen-headed missiles, again Russia would not attack because she would know that no matter what destruction was wrought against the United States, the missile bases would survive and be able to totally destroy the heart of the Communist cancer.

This newspaper believes that the first order of business for this Nation is to produce the submarines, the Polaris missiles, the deep underground bases, and the adequate missiles to arm them.

Talk about fancier health and welfare plans, better education, more elaborate embassies abroad and bigger jet planes for the President is utterly ridiculous.

If we don't arm the United States adequately, none of us will be around to enjoy anything.

It may come as a horrible shock to fat, comfortable Americans, who have been misled for a number of years by their national leaders to believe that everything is just wonderful, to realize that this Nation and all of us are now face to face with the threat of being wiped off the earth—not next year, next month, but tomorrow.

We are all living on borrowed time.

But if we forget about money and get the submarines, the missiles, and the bases that we need, and also the deep bomb shelters to protect our population, we can survive and win.

What are we waiting for?

TRIBUTE TO ANDREW J. KRAMER

Mr. BRIDGES. Mr. President, I wish to pay my tribute to Mr. Andrew J. Kramer, Keeper of Stationery for the U.S. Senate.

Mr. Kramer is observing his 35th year as an employee of the U.S. Senate. I think it is altogether fitting that this be observed as a small tribute to his many years of faithful service. I do not know what Mr. Kramer's politics are; but I know that he has many friends, and that he has served the Senate well for all these 35 years.

Andy, as he is known to his many friends, came to the Senate as a young man of 20. He was born and raised almost within the shadow of the Capitol itself.

He started in the Senate stationery room in 1924, when its operations were comparatively small. Today, its total business volume is close to one quarter of a million dollars annually. Four years after he began in that office he was named Assistant Keeper of Stationery. In 1944, he was elevated to his present position.

March 23 was the anniversary of the exact date on which Andy came to the Senate Office Building 35 years ago. Andy observed the occasion by taking one of his infrequent days off. I know I speak for all Senators when I express my thanks for his long and efficient service, as well as my hope that he will continue to be a popular member of our Senate community, so to speak, for many more years to come.

EFFECT ON AVIATION PROGRESS OF INADEQUATE AIRPORTS

Mr. MONRONEY. Mr. President, an excellent review of studies made by the Federal Government since 1946 on the subject of Federal participation in airport construction appears in a recent issue of Illinois Aviation, under the byline of Arthur E. Abney, Illinois director of aviation.

I especially commend to my colleagues Mr. Abney's observations and the direct benefits of the Nation's most modern transport industry are just beginning to reach the grassroots level, and his suggestion that if development of a nationwide system of airports is retarded the lack of adequate airports in itself may prove to be the limiting factor in the advancement of aviation in the United States.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIRECTOR'S COLUMN—FEDERAL AID TO AIRPORTS PROGRAM SUBJECT OF MUCH CONTROVERSY

(By Arthur E. Abney)

The Federal aid to airports program has in the past, been the subject of much controversy. Through the years special committees and study groups have been formed to research this one aspect of the aviation problem. Still other groups have touched on the question of Federal participation in airport construction and development projects as a part of their overall investigation of aeronautical facilities planning.

Last year, both the Senate and the House passed, by an overwhelming margin, a Federal aid to airports program calling for $100 million per year for 5 years. The President vetoed this legislation with the promise of a compromise aviation bill for the present session of Congress. The administrator of the Federal Aviation Agency, E. R. Quesada, on January 21, 1959, submitted to Congress draft legislation proposing $200 million in Federal funds to be spent through 1963. Since this represents approximately half the amount contained in the bill vetoed by the President in the last session of Congress, some serious study must be undertaken to determine which, if either, item of proposed legislation succeeds in meeting requirements of national interest insofar as aviation is concerned.

A wag once observed that various peoples of the earth react to emergencies in different but distinct manners and pointed out that when confronted with an emergency, Americans appoint a committee. In this particular bit of Americana the committee has flourished for a good many years; studies have been initiated on how studies should be undertaken. The most significant finding, is that virtually all of the reports agree that it is in the national interest to continue a strong and effective Federal aid to airports program.

In 1946 the Air Coordinating Committee was established to make a report on aviation facilities in traffic control techniques and their finding was that such facilities were marginal even by prewar standards. In 1948 the Air Navigation and Development Board was established to develop new air traffic control tools and air navigation procedures.

In 1952 the President established an airport commission, known as the Doolittle Commission, to investigate conditions associated with the rash of accidents in the areas surrounding airports. The Doolittle Commission report said, in part, "In the short span of 50 years since the invention of the airplane, aviation has become essential to our national defense and indispensable to our national economy. Although only a fraction of our total population is directly engaged in the design, manufacture, or operation of aircraft, every citizen is an indirect beneficiary." The Doolittle report goes on: "The Federal Airport Act of 1946 established a continuing program of Federal airport aid at a rate not to exceed $100 million per year with an authorized total of $500 million. Unfortunately, the implementation of this program by yearly appropriations has lagged; furthermore, it has proved difficult to synchronize the matching of funds, Federal and municipal. National interest requires that airport improvements not be delayed. Both civil and military airport policies require greater funding support and more comprehensive forward planning."

In 1955 the Commission on Intergovernmental Relations reported to the President, In addition, the present Federal aid program by securing free landing rights for military aircraft on airports federally assisted effects, pro tanto, a financial savings to the Federal Government and, even more important in the interests of economy, obviates the necessity for building many additional military airfields. The Commission finds need for active and continuing participation of the National Government in airport development including technical and financial assistance to State and local aviation airport authorities on a substantial scale."

In May 1955, the President through the Director of the Bureau of the Budget instituted a study to be made of aviation facilities. This report, which came to be known as the Harding report, asked these basic questions: (1) Should a study be made of long-range needs for aviation facilities? The Harding report said yes, to cover a period of at least 20 years. (2) What should the study cover? The Harding report indicated the study should cover airspace, civil and military expenditure for research and development and facilities financing, and type of government organization needed. The authors of the Harding report pointed out that the responsibility for financing individual airports and the responsibilities for the management should remain at the local level but that the Federal Government should accept responsibility for overall planning of national airport assistance—including programing of such additional funds both direct and supplemental as may need to be invested in airports in the national interest.

As a result of the report of the Harding Commission, the President in 1957 appointed Special Assistant Edward Curtis to conduct studies of aviation facilities and to recommend future programs. Among other things, the Curtis report recommended the creation of an independent Federal aviation agency headed up by a special Presidential assistant. This has come to pass as of January 1, 1959. Regarding airports, Curtis said, "Unquestionably such financial aid has been valuable in helping many communities to accomplish needed airport improvements more completely or more rapidly than otherwise would have been possible. Recent broadening of the Federal Airport Act increasing the level and stability of the program's authorization, has reflected the sense of the Congress and the President that this Federal aid program continues to be justified for the present. For the longer term future it can be expected that as the aviation industry further matures, more and more airports will become capable of self-support—and consistent therewith the Federal Government should reasonably look forward to the eventual curtailing of direct financial participation in airport construction."

We don't disagree with this concept; however, we feel that much work remains to be done for which Federal aid is necessary and appropriate. Only a few airports are now self-sustaining and until such time as this becomes generally the case, Federal aid is indicated.

The Curtis report pointed out that facilities by 1975 must be adequate to handle an air carrier traffic increase of 150 percent and an itinerant air traffic increase of 400 percent. "This projected increase in aircraft movements means that we must do all that is practical to increase the capacity of existing airports and then plan ahead to provide additional airports as they are needed." By way of pointing out the phenomenal growth of aviation activities the Curtis report shows that in 1936 there were 5 million takeoffs and landings at the Nation's airports, that in 1957 there were 65 million, with 115 million forecast for 1975.

In 1958 a tripartite study was undertaken by the Airport Operator's Council, the American Association of Airport Executives, and the National Association of State Aviation Officials to determine, on a nationwide basis, what airport construction was needed and how much State and local funds were available to accomplish the needed work. The results of this exhaustive study indicated a need for $1 billion worth of airport development for the period ending June 30, 1962. Figures indicated that 1,138 airport projects were planned by U.S. communities during the 4-year period. Of the total cost, almost $590 million is available from local and State sources and the balance was planned for $100 million a year appropriation which was passed by the House and Senate in the last session of Congress.

The result of these studies which bear directly on todays facilities program, date back to 1946. It should be kept in mind that, with the exception of the tripartite study, all the foregong studies were initiated and carried out by the Federal Government. Essentially, they all agree that it is in the national interest to develop a uniform national system of airports. Even the most reserved studies indicate a need for Federal financial participation in airport development, at least until such time as the industry matures to such an extent that airports, generally, are self-supporting. It is true that at the present time many of the large hub airports are self-sustaining. On the other hand, however, let us consider the hundreds of communities which have recently developed aviation facilities or who are in the process and who have also recently begun to attract local service air carriers. In this regard, the direct benefits of the Nation's most modern transport industry are just beginning to reach the "grass roots" level. We in Illinois are proud of the fact that the bulk of the people of this State are within easy commuting distances of an airport which connects, by local air carrier, to the airline routes of the world. Industrial expansion has added its impetus to the ever increasing number of communities who are seeking to establish or improve aviation facilities. As American business and industry continue in their acceptance of the airplane as an essential tool of commerce, this trend will increase and will make the airport a necessary and valuable part of the American economic heritage.

The sponsors of Federal aid to airports legislation which was vetoed during the last session of Congress have established this same legislation as the number one bill before both the Senate and the House. The new bill has passed in the Senate by a large majority. At the time of the veto, the bill, calling for $100 million per year in Federal aid, had bipartisan support and, as I have said, was passed by both the upper and lower Houses by wide majority. The bill's principal advocate, Senator MONRONEY, of Oklahoma, has managed to present this bill as the first bill in the new Senate. Representative OREN HARRIS, of Arkansas, has introduced a companion bill before the House as its first item of legislation.

In regard to his bill, Senator MONRONEY said, "We would be penny wise and pound foolish to be spending some $38 billion on the superhighway system for the 48 States and to assume that the gigantic task of preparing our airports for jets and expanding general aviation operations could be left to the design, planning specifications and sole financing of our municipalities. The 50-50 cost sharing plan long in vogue for ground transportation facilities is a good plan; a national airport program should also be based on cost-sharing and partnership."

At the time of this writing, the first passenger-carrying transcontinental jet flight has just been made. Less heralded and less dramatic, but no less important, is the tremendous growth in aviation in the past few years. In Illinois the number of registered pilots has increased by approximately one-third in 3 years. Illinois business and industry is continually demanding more of the

communities in which they are located in the way of aviation facilities. In the 50-odd years that mankind has known the airplane, it has risen to become our principle means of transportation of vital commercial and military cargoes. It has become one of man's principal forms of defense and one of his foremost means of progress. The leviathan of the air is a marvelous product of Yankee know-how and ingenuity. As important as the machine itself, is a nationwide system of airports which will permit the people of America to enjoy the maximum benefits of the air age. If development along these lines is retarded, the lack of adequate airports may in itself prove to be the limiting factor in the advancement of aviation in the United States.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 125, H.R. 5640.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 1, line 11, after the word "such", to strike out "individual's first claim under this Act was filed before April 1, 1959" and insert "individual had exhausted all rights under the unemployment compensation laws referred to in paragraph (3) before April 1, 1959, and his first claim under this Act was filed before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks, before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks, and before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks."

Mr. BYRD of Virginia obtained the floor.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. McNAMARA. Mr. President, I call up my amendment, identified as "3-23-59—A," and ask that it be stated by title only.

The PRESIDING OFFICER. It is not in order for the Senator to offer his amendment in the nature of a substitute at this time, because the committee amendment has precedence.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. MANSFIELD. Could the committee amendment be considered at this time, so that we may then have laid before the Senate the amendment in the nature of a substitute offered by the Senator from Michigan?

The PRESIDING OFFFICER. The committee amendment is in order at this time.

Mr. BYRD of Virginia. Mr. President, the only committee amendment is a technical amendment. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I understand the Senator from Michigan now renews his request.

Mr. McNAMARA. Mr. President, I ask unanimous consent that my amendment in the nature of a substitute not be read in its entirety, but be printed in the RECORD.

There being no objection, the amendment offered by Mr. McNAMARA, for himself and other Senators, was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Temporary Unemployment Compensation Act of 1950'.

"TITLE I—INDIVIDUALS WHO HAVE EXHAUSTED THEIR RIGHTS

"Payment of compensation

"Eligibility

"SEC. 101 (a) (1) Payment of temporary unemployment compensation under this title shall be made, for any week of unemployment which begins on or after the fifteenth day after the date of the enactment of this Act and before July 1, 1960, to individuals who have, after June 30, 1957, exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the unemployment compensation laws referred to in paragraph (3) and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law.

"(2) Except as provided in section 102(b), payment of temporary unemployment compensation under this title shall be made only pursuant to an agreement entered into under section 102 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"(3) The unemployment compensation laws referred to in this paragraph are—

"(A) any unemployment compensation law of a State;

"(B) title XV of the Social Security Act, as amended (42 U.S.C. 1361 and the following);

"(C) title IV of the Veterans' Readjustment Assistance Act of 1952, as amended (38 U.S.C. 991 and the following); and

"(D) the Temporary Unemployment Compensation Act of 1958 (72 Stat. 171).

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this title shall be an amount equal to sixteen times the last weekly benefit amount (including allowances for dependents) for a week of total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this title.

"Weekly Benefit Amount

"(c) The temporary unemployment compensation payable to an individual under this title for a week of total unemployment shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he most recently exhausted his rights. The temporary unemployment compensation payable to an undividual under this title for a week of less than total unemployment shall be computed in the basis of such weekly benefit amount.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws referred to in subsection (a) (3) under which an individual most recently exhausted his rights shall be applicable to his claims for temporary unemployment compensation under this title and to the payment thereof.

"Relationship to Title II

"(e) An individual who files a first claim under this title shall not thereafter be entitled to receive temporary unemployment compensation under title II of this Act, and his right to receive temporary unemployment compensation under this Act shall thereafter be determined in accordance with the provisions of this title.

"Compensation payable only under agreements

"Agreements With States

"SEC. 102. (a) (1) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(A) will make, as agent of the United States, payments of temporary unemployment compensation to the individuals referred to in section 101 on the basis provided in this title; and

"(B) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this title.

"(2) Any agreement under this title shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this title; except that any State the unemployment compensation law of which provides for a maximum duration of unemployment compensation benefits in excess of twenty-six weeks of total unemployment may, if it elects to do so, defer, in the case of any individual who has received, during his most recent benefit year (as defined by State law), an aggregate amount of unemployment compensation under such law equal to twenty-six times his benefit amount (including allowances for dependents), any additional unemployment compensation benefits otherwise payable to such individual under such law until such time as such individual shall have exhausted any benefits to which he may become entitled under this title. Any individual the payment of whose unemployment compensation benefits under State law is deferred pursuant to this paragraph shall be deemed, for the purposes of this title, to have exhausted all rights under such law during the period with respect to which the payment of such benefits has been so deferred.

"Veterans and Federal Employees in Puerto Rico and Virgin Islands

"(b) (1) For the purpose of paying the temporary unemployment compensation provided in this title to individuals in Puerto

Rico or the Virgin Islands who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act and title IV of the Veterans' Readjustment Assistance Act of 1952, the Secretary is authorized to utilize the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (29 U.S.C. 49 and the following), and may delegate to officials of such agencies any authority granted to him by this title whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this title; and may allocate or transfer funds or otherwise pay or reimburse such agencies for the total cost of the temporary unemployment compensation paid under this title and for expenses incurred in carrying out the purposes of this title.

"(2) Any individual in Puerto Rico or the Virgin Islands referred to in paragraph (1) whose claim for temporary unemployment compensation under this title has been denied shall be entitled to a fair hearing and review as provided in section 1503(c) of the Social Security Act (42 U.S.C. 1363(c)).

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this title shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"TITLE II—INDIVIDUALS WHO WERE EMPLOYED IN NONCOVERED EMPLOYMENT

"Payment of compensation

"Eligibility

"SEC. 201. (a)(1) Payment of temporary unemployment compensation under this title shall be made for any week of unemployment which begins on or after the forty-fifth day after the date of the enactment of this Act and before July 1, 1960, to qualified individuals who have no rights to unemployment compensation with respect to such week under any other Federal or State unemployment compensation law.

"(2) Payment of temporary unemployment compensation under this title shall be made only pursuant to an agreement entered into under section 202 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this title shall be an amount equal to sixteen times the amount produced by multiplying 1¼ per centum by the total amount of the 'wages' (as defined in section 209 of the Social Security Act) and 'self-employment income' (as defined in section 211(b) of such Act) of such individual for whichever period of four consecutive 'calendar quarters' (as defined in section 213(a)(1) of such Act) of the two-calendar-year period referred to in section 203 will produce the largest amount.

"Weekly Benefit Amount

"(c)(1) The temporary unemployment compensation payable to an individual under this title for a week of total unemployment shall be equal to one-sixteenth of the amount provided by subsection (b): *Provided*, That the amount of the weekly benefit shall not exceed the maximum weekly benefit (including allowances for dependents) payable under the unemployment compensation law of the State.

"(2) Notwithstanding paragraph (1), if an individual, after filing his first claim under this title, acquires rights to unemployment compensation with respect to any week under any unemployment compensation law referred to in section 101(a)(3), the temporary unemployment compensation thereafter payable to him under this title for a week of total unemployment shall be the weekly benefit amount determined in the same manner as provided in section 101(c).

"(3) The temporary unemployment compensation payable to an individual under this title for a week of less than total unemployment shall be computed on the basis of the weekly benefit amount determined under paragraph (1) or (2), whichever applies.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws under which such individual's weekly benefit amount is determined shall be applicable to his claims for temporary unemployment compensation under this title and to the payment thereof.

"Relationship to Title I

"(e) No individual may file a first claim under this title at any time at which he may file a first claim under title I. Any individual who files a first claim under this title shall not thereafter be entitled to receive temporary unemployment compensation under title I of this Act, and his right to receive temporary unemployment compensation under this Act shall thereafter be determined in accordance with the provisions of this title.

"Compensation payable only under State agreements

"Agreements With States

"SEC. 202. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(1) will make, as agent of the United States, payments of temporary unemployment compensation to qualified individuals on the basis provided in this title; and

"(2) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this title.

"Benefits Under State Law

"(b) Any agreement under this title shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this title.

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this title shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"Definitions

"Qualified Individuals

"SEC. 203. For the purposes of this title, the term 'qualified individual' means an individual who, during the two-calendar-year period most recently preceding the date upon which such individual applies for benefits under this title, and for which necessary data are available from the Secretary of Health, Education, and Welfare or other reliable sources as determined by the Secretary of Labor, has—

"(1) performed, during not less than four of the calendar quarters (as defined in section 213(a)(1) of the Social Security Act) within such period, either services the remuneration from which constituted wages (as defined in section 209 of such Act), or engaged in carrying on a trade or business the earnings from which constituted 'self-employment income' (as defined in section 211(b) of such Act), and

"(2) has been credited under title II of the Social Security Act as having received, during one year of such two-calendar-year period wages (as so defined) or self-employment income' (as so defined), or both, the aggregate of which is not less than $1,000.

"TITLE III—GENERAL PROVISIONS

"Definitions

"SEC. 301. For the purposes of this Act—

"(1) The term 'Secretary' means the Secretary of Labor.

"(2) The term 'State' includes the District of Columbia and Hawaii.

"(3) The term 'first claim' means the first request for determination of benefit status under title I or title II, as the case may be, on the basis of which a weekly benefit amount under this Act is established, without regard to whether or not any benefits are paid.

"Review

"SEC. 302. Any determination by a State agency with respect to entitlement to temporary unemployment compensation pursuant to an agreement under title I or title II shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

"Penalties

"False Statements, and So Forth

"SEC. 303. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this Act shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"Recovery of Overpayments

"(b)(1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

"(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

"(B) as a result of such action has received any payment under this Act to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this Act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 102(b)(2) and 302 of this Act.

"(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

"Information

"SEC. 304. The agency administering the unemployment compensation law of any State shall furnish to the Secretary (on a reimbursable basis) such information as he may find necessary or appropriate in carrying out the provisions of this Act.

"Payments to States

"Payment on Calendar Month Basis

"SEC. 305. (a) There shall be paid to each State which has an agreement under this Act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive

under this Act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"Certification

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment—

"(1) to each State which has an agreement under this Act sums payable to such State under subsection (a), and

"(2) to each State such amounts as the Secretary determines to be necessary for the proper and efficient administration of this Act in such State.

The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds appropriated for carrying out the purposes of this Act.

"Money To Be Used Only for Purposes for Which Paid

"(c) All money paid a State under this Act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this Act, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this Act may be made.

"Surety Bonds

"(d) An agreement under this Act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this Act.

"Liability of Certifying Officers

"(e) No person designated pursuant to an agreement under this Act, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this Act.

"Liability of Disbursing Officer

"(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this Act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

"Denial of benefits to aliens employed by Communist governments or organizations

"SEC. 306. No person who is an alien shall be entitled to any benefit under this Act for any week of unemployment if, at any time on or after the first day of his applicable base period and before the beginning of such week, he was at any time employed by—

"(1) a foreign government which, at the time of such employment, was Communist or under Communist control, or any agency or instrumentality of any such foreign government, or

"(2) any organization if, at the time of such employment (A) such organization was registered under section 7 of the Subversive Activities Control Act of 1950 (50 U.S.C. 786), or (B) there was in effect a final order of the Subversive Activities Control Board requiring such organization to register under section 7 of such Act or determining that it is a Communist-infiltrated organization.

"Regulations

"SEC. 307. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

"Authorization of appropriations

"SEC. 308. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

Mr. BYRD of Virginia. Mr. President, the bill before the Senate today (H.R. 5640) is one which received unanimous approval by the Committee on Finance. Its purpose is to extend the time from April 1, 1959, to July 1, 1959, during which unemployed persons who have established a claim to temporary unemployment compensation before April 1, 1959, may receive such payments.

The Temporary Unemployment Compensation Act of 1958, which became effective June 19, 1958, provides that unemployment benefits may be extended to individuals who, since June 30, 1957, have exhausted their benefit rights under State unemployment insurance laws and the unemployment programs for Federal workers, ex-servicemen, and veterans. Temporary benefits are payable to claimants under the laws of States which have entered into agreements with the Secretary of Labor to participate in the program. The States have the option of participating fully, partially, or not at all in the temporary Federal program. The 17 fully participating States are Alabama, Alaska, Arkansas, California, Delaware, District of Columbia, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, and West Virginia. I submit for inclusion in the RECORD a table showing the States participating in the program, either fully or partially.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Combined table showing States participating, either fully or partially, in the temporary unemployment compensation program*

State	UI [1]-TUC [2]		UCX [3]-UCFE [4]-TUC		UCV [5]-TUC	
	Exhaustion date	Date benefits payable	Exhaustion date	Date benefits payable	Exhaustion date	Date benefits payable
Alabama [6]	June 30, 1957	July 19, 1958	June 30, 1957	July 6, 1958	June 30, 1957	July 6, 1958
Alaska [7]	do	Oct. 5, 1958	do	Aug. 3, 1958	do	Aug. 3, 1958
Arizona			do	July 1, 1958	do	July 1, 1958
Arkansas [6]	June 30, 1957	July 6, 1958	do	July 6, 1958	do	July 6, 1958
California [6]	do	do	do	do	do	Do.
Colorado	(7)	(7)	(7)	(7)	do	July 13, 1958
Connecticut	(7)	(7)	(7)	(7)	do	July 6, 1958
Delaware [6]	June 30, 1957	July 1, 1958	June 30, 1957	July 1, 1958	do	July 1, 1958
District of Columbia [6]	do	June 19, 1958	do	June 19, 1958	do	June 19, 1958
Florida			do	July 15, 1958	do	July 15, 1958
Hawaii			do	Aug. 3, 1958	do	Aug. 3, 1958
Idaho			July 7, 1957	July 6, 1958	July 7, 1957	July 6, 1958
Illinois	(7)	(7)	(7)	(7)	Nov. 30, 1957	July 1, 1958
Indiana [6]	June 30, 1957	June 23, 1958	June 30, 1957	June 23, 1958	June 30, 1957	June 23, 1958
Kentucky			Mar. 31, 1958	Sept. 14, 1958	Mar. 31, 1958	Sept. 14, 1958
Maryland [6]	June 30, 1957	June 19, 1958	June 30, 1957	June 19, 1958	June 30, 1957	June 19, 1958
Massachusetts [5]	do	July 6, 1958	do	July 6, 1958	do	July 6, 1958
Michigan [6]	do	June 22, 1958	do	June 22, 1958	do	June 22, 1958
Minnesota [6]	do	July 1, 1958	do	July 1, 1958	do	July 1, 1958
Nebraska			do	Aug. 17, 1958	do	Aug. 17, 1958
Nevada [7]	Dec. 28, 1957	July 13, 1958	Dec. 28, 1957	July 13, 1958	Dec. 28, 1957	July 13, 1958
New Jersey [6]	Oct. 1, 1957	June 29, 1958	Oct. 1, 1957	June 29, 1958	Oct. 1, 1957	June 29, 1958
New Mexico			June 30, 1957	July 6, 1958	June 30, 1957	July 6, 1958
New York [6]	June 30, 1957	June 23, 1958	do	June 23, 1958	do	June 23, 1958
North Dakota			do	Oct. 26, 1958	do	Oct. 26, 1958
Ohio	(7)	(7)	(7)	(7)	do	July 13, 1958
Oregon			June 30, 1957	July 13, 1958	do	Do.
Pennsylvania [6]	June 30, 1957	June 19, 1958	do	June 19, 1958	do	June 19, 1958
Puerto Rico			do	do	do	Do.
Rhode Island [6]	June 30, 1957	June 22, 1958	do	June 22, 1958	do	June 22, 1958
South Carolina			do	Aug. 4, 1958	do	Aug. 4, 1958
Texas			do	Aug. 20, 1958	do	Aug. 20, 1958
Virgin Islands			do	June 19, 1958	do	June 19, 1958
Washington			July 6, 1957	July 13, 1958	July 6, 1957	July 13, 1958
West Virginia [6]	June 30, 1957	June 27, 1958	June 30, 1957	June 27, 1958	June 30, 1957	June 27, 1958
Wisconsin	(7)	(7)	(7)	(7)	do	June 21, 1958

[1] Unemployment insurance.
[2] Temporary unemployment compensation.
[3] Unemployment compensation for ex-servicemen.
[4] Unemployment compensation for Federal employees.
[5] Unemployment compensation for veterans.
[6] Fully participating States.
[7] See table III, "Extended benefits under State law."

NOTE.—Prepared by the Bureau of Employment Security, U.S. Department of Labor.

Mr. BYRD of Virginia. The temporary unemployment compensation law will expire on March 31, 1959; that is, temporary benefits will not be payable for any weeks of unemployment beginning after that date. Thus, under present law, many individuals currently entitled to benefits would have their benefits cut off after April 1. House bill 5640 is designed to permit individuals who have already established a claim to temporary unemployment compensation to have an additional period of 3 months in which to obtain these benefits if they continue to be unemployed. The bill is designed to provide a gradual closing out of the existing temporary program, rather than a sudden discontinuance of it.

At the suggestion of the Department of Labor, a technical amendment was adopted by the committee, so that individuals who have reporting days after April 1, 1959, under procedures followed by the State agency, would not be precluded from receiving the benefits of this

act. For example, individuals who file their first claims in States in which unemployment compensation is paid on a flexible-week basis would have through March 31, 1959, to file their first claims; individuals who file in States in which unemployment compensation is paid on a calendar-week basis would have through April 4, 1959, to file their first claims; and individuals who file their first claims in States in which unemployment compensation is paid on a statutory or payroll-week basis would have through April 6, 1959, to file their first claims.

The chairman of the House Ways and Means Committee, the Honorable WILBUR D. MILLS, has expressed his approval of amending the House bill to take care of this technical problem, and stated he would recommend to the House of Representatives that the amendment be adopted without a conference.

Mr. President, I ask unanimous consent to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1959.

HON. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
United States Senate.

DEAR MR. CHAIRMAN: It has been called to my attention that the Department of Labor has suggested that H.R. 5640, to extend temporary unemployment compensation benefits in certain cases, needs a technical amendment to deal with a problem presented to the Senate Committee on Finance relating to the cutoff date of April 1, 1959, for filing claims.

I wish to state that if your committee sees fit to amend the House bill to take care of this technical problem, I would recommend to the House that it accept this amendment without a conference.

Sincerely yours,

WILBUR D. MILLS,
Chairman.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD the statement I have received as chairman of the Finance Committee from the Assistant Secretary of Labor, expressing approval of the bill as amended.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF NEWELL BROWN, ASSISTANT SECRETARY OF LABOR

Mr. BROWN. Mr. Chairman, I want to express, first, the regret of the Secretary that he was unable to be here to express the administration's position. That is what I would like to very briefly do this morning.

I appreciate this opportunity to discuss with the committee the views of the administration with respect to legislative proposals for the extension of temporary Federal unemployment compensation. As this committee knows, on June 4, 1958, the President approved the Temporary Unemployment Compensation Act of 1958 enacted by the Congress to provide benefits for persons who had exhausted their regular benefits under the various State and Federal unemployment compensation laws. As enacted, no benefits would be paid under this act for any week of unemployment beginning after March 31, 1959.

Seventeen States elected to participate fully in this temporary unemployment compensation program, and 19 others elected to participate with respect to exhaustees only under Federal unemployment compensation laws, that is, Federal employees, veterans, and so on.

Through January 1959, $359 million was paid out for temporary unemployment compensation and it is estimated that $75 million more will be paid out in February and March. By March 31, 1959, approximately 1.5 million persons will have received temporary unemployment compensation under this act. We firmly believe that the Temporary Unemployment Compensation Act of 1958 was necessary. But it was intended to be—and I believe should be temporary.

This was emphasized by the Department in its proposal to the Congress for the enactment of temporary unemployment compensation legislation. For example, the explanation submitted by the Department to accompany its proposal contains the following statement:

"This is a program for a limited period to assist the States in meeting an urgent and immediate need and not a proposal for supplementation of regular benefits on a prolonged basis."

Again and again the Secretary of Labor, in his testimony before the House Committee on Ways and Means, stressed the fact that this legislation was designed to, and should be temporary in nature.

Throughout the consideration of the Temporary Unemployment Compensation Act by the Congress it was also emphasized that the proposed act was designed as a temporary measure to serve as a stopgap in order to afford the States a reasonable opportunity to take appropriate legislative action to meet the problem in their respective States, and that regular sessions of most of the State legislatures would not be held until 1959.

In 1959, 46 State legislatures and the Congress, which acts for the District of Columbia, of course, have convened or will convene. There is significant activity by the States to provide additional benefits, either through the enactment of extended unemployment compensation to be paid in emergencies or through the increased duration of benefits under the regular State systems. As of March 13, unemployment compensation legislation providing additional benefits had passed one or more houses of 12 State legislatures and two of these bills have been enacted into law; in 7 additional States such unemployment compensation bills have been introduced with the support of the Governors; 11 of these States are considering extensions to 30 or more weeks, and 1 has enacted a permanent program providing for the payment of additional unemployment compensation during high levels of unemployment; 37 State legislatures are still in session and 2 will convene later.

I might add there that of the eight legislatures that have gone home since the beginning of the year, five have taken action in this field. In two cases the Governor has signed the recommended bills; in three others the bills are on his desk.

While exhaustions under State law are less than they were last year, they remain at a relatively high level. We do not believe, however, that the answer is a succession of temporary extensions superimposed by Federal legislation on the unemployment compensation systems of the States.

We believe that the program already started should be permitted to taper off. For this reason, we favor the enactment of H.R. 5640 which has already passed the House. This bill as passed by the House would permit individuals who had filed first claims under the act before April 1, 1959, to receive temporary unemployment compensation until they have exhausted their rights or have become reemployed. In no event, however, would benefits be paid for a week of unemployment beginning after June 30, 1959.

If the committee desires to assure that persons whose unemployment began in the week prior to April 1, 1959, but who, under the State law, would report and file a claim after April 1, 1959, should be entitled to receive the benefits of the temporary unemployment compensation program, a technical amendment would be necessary, in the legislation passed by the House.

Mr. BYRD of Virginia. Mr. President, the Department of Labor estimates that this extension of the benefits under the Temporary Unemployment Compensation Act will provide some payments to approximately 405,000 individuals and will involve additional costs of approximately $78 million. At the time when the 1958 program was adopted, an appropriation of $665,700,000 was made to cover benefit payments, grants for administration, and salaries and expenses in the Bureau of Employment Security, in the Department of Labor. It is estimated that as of March 30, 1959, the total expenses under the program will be about $447 million, leaving an unexpended balance of the appropriation of about $218 million. There will be no need for additional appropriations to continue this program, and it will be seen that a considerable portion of the appropriations made for the fiscal year 1959 will not be expended.

Unless this bill is passed by the Congress before the Easter recess beginning tomorrow afternoon, the rights of many persons now on the benefit rolls will terminate abruptly on April 1. For that reason it would be unwise to endeavor to add long-range or controversial amendments to the bill at this time. I earnestly recommend the passage of House bill 5640, as unanimously approved by the Senate Committee on Finance, without additional amendments.

The amendment, as approved by the committee, has already been adopted by the Senate.

Mr. McNAMARA. Mr. President, there is before the Senate an amendment which has been offered on behalf of myself, Mr. CLARK, Mr. HART, Mr. MURRAY, Mr. MANSFIELD, Mr. MORSE, Mr. NEUBERGER, Mr. GREEN, Mr. GRUENING, Mr. BYRD of West Virginia, Mr. RANDOLPH, Mr. HUMPHREY, Mr. MCCARTHY, Mr. DOUGLAS, Mr. KENNEDY, Mr. WILLIAMS of New Jersey, Mr. PASTORE, and Mr. HARTKE.

The amendment is in the form of a substitute for House bill 5640. We believe that House bill 5640 is totally inadequate as a solution for the unemployment problem, which is still as grave as it was last year, when the Congress took remedial action of a much more reasonable and humanitarian nature.

Unemployment in the first 2 months of 1959 is almost equal to that in the same months of 1958. The national total is now 4.7 million. January unemployment was the highest for any January since before World War II—and the Feb-

ruary total was exceeded in that period only by February 1958.

The tables which follow contain a State-by-State breakdown of covered unemployment—as of March 7—and a demonstration of our recent past national experience in employment—and unemployment.

I ask unanimous consent that the tables appear in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Insured unemployment for week ended Mar. 7, 1959

State	Total insured unemployment (excluding railroad)	Rate of insured unemployment (percent)
Alabama	39,959	5.2
Arizona	11,037	4.6
Arkansas	24,963	7.7
California	249,841	5.5
Colorado	12,724	3.3
Connecticut	47,957	5.4
Delaware	6,610	4.3
District of Columbia	9,476	1.7
Florida	30,987	3.3
Georgia	37,039	4.5
Idaho	10,268	8.4
Illinois	145,739	4.4
Indiana	54,224	3.9
Iowa	15,415	3.3
Kansas	14,241	3.6
Kentucky	38,782	7.2
Louisiana	36,613	5.9
Maine	18,803	8.9
Maryland	53,791	5.8
Massachusetts	102,084	5.6
Michigan	132,290	5.3
Minnesota	54,203	6.5
Mississippi	19,410	6.9
Missouri	42,473	4.0
Montana	14,764	11.8
Nebraska	9,841	4.1
Nevada	5,894	7.1
New Hampshire	7,883	4.9
New Jersey	131,142	6.7
New Mexico	5,668	3.1
New York	373,798	6.1
North Carolina	47,233	5.1
North Dakota	8,084	9.9
Ohio	123,990	3.7
Oklahoma	20,705	4.8
Oregon	31,954	8.1
Pennsylvania	325,268	8.1
Rhode Island	21,181	7.0
South Carolina	17,096	3.8
South Dakota	4,118	4.8
Tennessee	45,584	6.3
Texas	67,536	3.3
Utah	9,332	4.6
Vermont	4,921	6.3
Virginia	28,432	3.6
Washington	49,524	7.1
West Virginia	45,870	9.0
Wisconsin	44,879	4.1
Wyoming	4,264	6.2
Total	2,657,900	5.4

Civilian unemployment and employment from January 1957 [1]

[In millions]

Month	Unemployment			Employment		
	1957	1958	1959	1957	1958	1959
January	3.2	4.5	4.7	62.6	62.2	62.7
February	3.1	5.2	4.7	63.2	62.0	62.7
March	2.9	5.2	------	63.9	62.3	------
April	2.7	5.1	------	64.3	62.9	------
May	2.7	4.9	------	65.2	64.1	------
June	3.3	5.4	------	66.5	65.0	------
July	3.0	5.3	------	67.2	65.2	------
August	2.6	4.7	------	66.4	65.4	------
September	2.6	4.1	------	65.7	64.6	------
October	2.5	3.8	------	66.0	65.3	------
November	3.2	3.8	------	64.9	64.7	------
December	3.4	4.1	------	64.4	64.0	------
Average	2.9	4.7	------	65.0	64.0	------

[1] Source: U.S. Bureau of the Census.

Civilian unemployment and employment [1] *in February 1953–59*

[In millions]

Year	Unemployment	Employment
1953	1.8	61.1
1954	3.7	60.1
1955	3.4	59.9
1956	2.9	62.6
1957	3.1	63.2
1958	5.2	62.0
1959	4.7	62.7

[1] Source: U.S. Bureau of the Census.

Mr. McNAMARA. Mr. President, these tables contain many interesting facts. Of particular interest is the table which shows what the percentage of covered unemployment is in the various States.

More than half the States, or 27, are confronted by an unemployment rate above 5 percent. In other words, in 27 of our States more than 1 in every 20 workers in covered employment are without jobs.

Unfortunately, there are no comparable figures on a State-by-State basis to show what total unemployment is. The Labor Department rule of thumb to obtain the total unemployed is to increase the covered unemployment figure by 50 percent. I hope that each Senator will undertake that simple mathematical exercise to find approximately the number of persons unemployed in his State.

For example, in my own State of Michigan, taking the covered unemployment figure of 132,000 and adding 50 percent provides a total of 198,000 unemployed. Even this figure is far too low, since our official estimates indicate that we now have approximately 300,000 persons unemployed.

Let me give quickly several other examples of how this works.

Latest available figures show that covered unemployment in California is 250,000, but the total estimated unemployment is 384,000.

Mr. KUCHEL. Mr. President, will my able friend from Michigan yield?

Mr. McNAMARA I am happy to yield to the acting minority leader.

Mr. KUCHEL. I ask the Senator, are those the official figures of the State Department of Employment of California?

Mr. McNAMARA. They were obtained late yesterday afternoon from that source; yes.

Mr. KUCHEL. I thank my friend. I shall ask the Senator some questions a little later with regard to the proposed legislation, but I wanted to be sure about the source of the figures he read.

Mr. McNAMARA. I shall be happy to be interrupted at any time by the Senator from California or by other Senators who may have questions concerning any portion of the remarks I am making.

In New Jersey jobless workers in covered employment number 131,000 while total unemployment is estimated to be 208,000.

Pennsylvania has 325,000 in covered unemployment, but total unemployment of 492,000.

And Connecticut, to give a final example, has 47,000 in covered unemployment and a total of 83,000 unemployed.

As Senators will note, some of these examples show total unemployment far greater than the 50-percent rule of thumb.

Last year the Congress faced a similar national problem. We knew that hundreds of thousands of people would be unemployed for a long period of time and we acted to help those who would exhaust their normal unemployment benefits.

We did not go nearly far enough last year with the Temporary Unemployment Compensation Act, but it should be apparent that even this meager action was a godsend to the people who benefited by it.

Without the assistance they were given through the act of 1958 there would have been incredible hardship and misery for all too many of our working people.

I cannot find a single reason why we should not act to meet this emergency in 1959 as we did in 1958.

Mr. HART. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my distinguished colleague.

Mr. HART. Mr. President, the senior Senator from Michigan made a point which by indirection brings us to the House bill, the bill which the committee recommends. The Senator suggested, as I heard him, that he thought of no single reason why we should not act to meet the emergency in 1959 as we did in 1958.

Late yesterday I inquired of the research director of the Michigan Employment Security Commission, Norman Barcus, to find out what estimate the commission was able to make as to the number of persons unemployed in Michigan now who would benefit if the Congress passed the House bill recommended by the committee. I was informed the estimate was that about 35,000 of the persons presently unemployed in Michigan would benefit. I was also told that there are about 177,000 unemployed persons in Michigan who are currently not eligible for a benefit of any kind.

I think the contrast between 35,000 and 177,000 is startling. It occurs to me that this relationship may be applicable in a good many other States, and during the course of the debate other Senators may think it helpful to add to the RECORD the experience of their own States.

I thank the Senator for yielding.

Mr. McNAMARA. I thank my distinguished colleague for the up-to-date figures he has supplied. I have no reason to believe the figures are not correct as stated, and they again emphasize the need.

Furthermore, the number of persons who will exhaust their unemployment insurance rights in fiscal 1960 is exceeded only by the number for fiscal 1959.

I ask unanimous consent that a table showing the rate of exhaustions be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	State UI and UCFE exhaustions (in thousands), fiscal year—			
	1957	1958	1959	1960
July	86.6	98.9	285.4	210
August	88.1	91.6	255.0	190
September	73.5	82.9	237.4	195
October	73.8	94.5	224.3	195
November	70.4	84.4	177.7	155
December	73.3	110.6	213.1	165
January	106.7	147.1	212.4	170
February	95.2	145.5	195.0	150
March	112.5	191.4	200.0	155
April	115.1	231.2	195.0	150
May	106.5	236.8	175.0	140
June	92.5	254.0	170.0	130
Fiscal year total	1,094.1	1,768.7	2,540.0	2,005

Mr. McNAMARA. Mr. President, second, there is no evidence that this situation is capable of self-improvement. Our experience in 1958 is valid testimony to that fact. All the blithely optimistic statements which have been uttered about the passing nature of this problem will not restore one single unemployed person to work.

In last Sunday's Washington Post and Times Herald there was an article by Bernard Nossiter, which contained what is to my mind conclusive proof that the present recession is not of a passing nature. I ask unanimous consent that this article be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection to the request of the Senator from Michigan?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECOVERY RATE FOUND SLUGGISH

(By Bernard D. Nossiter)

The national economy is moving out of the worst postwar slump at a sluggish pace.

A comparison with the recoveries from the two earlier recessions shows:

The present recovery is much slower than the 1949–50 revival.

The present recovery is somewhat slower than the 1954–55 comeback.

Moreover, a new method of calculating jobless rates—a method which many experts now favor—shows that unemployment has not simply held at an uncomfortably high level in the last 3 months. Instead, it has grown progressively worse.

Under the new method, unemployment, corrected for seasonal factors, was 5.8 percent of the labor force in November; 6 percent in December; 6.2 percent in January; and 6.4 percent in February.

Any five economists will offer at least six mutually exclusive methods of measuring recovery. And some will insist that by any standard the present recovery is satisfactory. This contented group argues that the fact that the recovery appears uninterrupted for 10 months after the recession hit bottom last April is the really significant feature.

Moreover, some contend that a comeback as fast as the one in 1949–50 would breed other evils. A snapback of that sort, it is argued, would quickly press output up against capacity, create shortages, and put pressure on prices.

It is this group also that generally argues (in private) that relatively high unemployment is unfortunate for those out of work but useful to temper union wage demands.

Finally, some economists say that the current recovery is so close to the pace of the 1954–55 affair that the differences are unimportant. However, that earlier comeback followed a mild dip. So, a more proper comparison, another school asserts, is with the first, more severe postwar slide. On that basis, this recovery is substantially slower.

To measure recovery, four key indicators were compared for the three periods: Gross national product or total output, corrected to eliminate price changes; the jobless rate; personal income, the sum of payments to people; and industrial production.

The recent slide in unemployment, reflected in the figures used here and compiled by the Committee for Economic Development, will come as a surprise to some.

Published Government figures show no change between December and February. However, the Census Bureau is privately measuring jobless rates in the same fashion as CED and is expected to publish this new approach.

Some economists argue that the recent worsening in unemployment reflected in the numbers is illusory. This group holds that the figures result from an extraordinary expansion in the labor force—that is, a rush of new job seekers in the last 3 months.

However, in the 9 preceding months, the labor force, corrected for seasonal changes, actually declined. It normally increases by 800,000 over a year; from February 1958, to February 1959, it increased by only 300,000.

Therefore, the rates showing a worsening of unemployment are compiled against a less-than-normal increase in jobseekers. A normal increase would make the picture look blacker.

Another unusual factor is supporting current production, employment and incomes. Perhaps 20 percent of the recent buying of steel is inspired by strike threats. Customers are building inventories to tide them over an emergency predicted by the industry as early as last September. If this scare buying were not in the picture and steel output were tailored to real demand at the current price, the production index would probably show not even the modest increase registered in the past 3 months.

Here's how much each of the three postwar recoveries had come back after each slump had hit bottom as shown in the four indicators. (The numbers are the present gain or loss for the 10th month after each slump hit bottom—February 1959 for the current recovery. Gross national product is measured quarterly so the comparisons are for points three quarters after each slump touched bottom. This gross national product for the first quarter of 1959 is estimated to have increased by 10 billion unchanged dollars from the fourth quarter.)

Industrial production: First postwar recovery, 15.4 percent above the preslump peak; second recovery, 1.5 percent; current, 0.7 percent below the preslump peak.

Personal income: First, 7.9 percent; second, 6.7 percent; current, 3.5 percent.

Jobless rate: First, was 4.5 percent 10 months after trough or 10 percent worse than preslump peak; second, 4.2 percent or 61 percent worse; current, 6.4 percent or 49 percent worse.

Gross national product: First, 9.5 percent above preslump peak; second, 4.4 percent; current, 2.1 percent (estimated).

Another method of comparison would be to measure how much each indicator had climbed from the trough.

On this basis, the first recovery was again the best for all four indicators. But the current recovery is about the same as the 1954–55 comeback in one measurement, faster in one and slower in two others.

To sum up: In all eight measurements, the first recovery was the fastest. The second leads the current comeback in five, is even in one and trails only in two.

Mr. McNAMARA. Mr. President, the article points out that present unemployment rates are measured against a work force which has increased by only 300,000 between February 1958, and February 1959, as compared to a normal increase of 800,000 in standard growth years.

Thus the present rate of unemployment is really more severe than in the past two slumps, since there are about 500,000 less job seekers than we would normally expect.

Industrial production has recovered far more slowly than after the last two recessions. At a similar stage following the worst point of the 1949 and 1950 slump industrial production had risen 15 percent above the preslump peak.

And at the same stage following the worst of the 1954 and 1955 downturn production had risen 1½ percent above the prerecession peak.

As of this month we find that production is still seven-tenths of 1 percent below the prerecession high.

Mr. Nossiter also points to the relative growth in the gross national product following each recession. After the 1949 and 1950 drop at this stage the gross national product had increased 9½ percent above the predrop high. In 1954 and 1955 it had returned to 4.4 percent above, and the present recovery is at 2.1 percent above.

In final summation, the article stated that our so-called recovery, which I submit cannot even be called that, is much slower than following the previous two recessions.

It is true that production in the latter months of 1958 showed some improvement. Unfortunately, this was not accompanied by a comparable increase in employment.

Between April of 1958, the low point of last year's recession, and December of 1958, 84 percent of the manufacturing production loss was recovered. However, there was only a 26-percent restoration of the manufacturing job loss.

The recession which we now face is one which hits all fields of employment.

The table to which I shall now refer is indicative of the inroads which have been made in employment in the major industrial fields.

I invite attention to the fact that one of our major industries, construction, is actually in worse shape this year in terms of employment than it was in 1958. So are mining, transportation, wholesale and retail trade, and the service industry.

Senators will also note that the overall unemployment rate is up two-tenths of a percent between January 1958 and January 1959. These statistics are furnished by the Department of Commerce and are the latest available.

I ask unanimous consent that the full table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Unemployment rates for nonfarm wage and salary workers, by major industry group, January 1957 to 1959

[Percent of labor force in industry who were unemployed; not adjusted for seasonality]

Industry group	1959	1958	1957
Total	7.3	7.1	5.2
Mining	11.7	9.6	5.0
Construction	19.3	18.7	14.8
Manufacturing	7.9	8.9	5.0
Durable goods	8.2	9.9	4.5
Primary metal industries	8.2	11.2	2.6
Fabricated metal products	9.1	8.6	5.3
Machinery, except electrical	7.2	8.0	1.9
Electrical machinery	6.7	7.9	4.0
Transportation equipment	7.7	12.0	3.3
Automobiles	10.3	14.7	4.1
All other	5.6	9.6	2.7
Other durable goods industries	9.7	10.1	8.3
Nondurable goods	7.5	7.7	5.8
Food and kindred products	9.1	9.8	7.8
Textile-mill products	10.3	10.8	4.7
Apparel and other finished textile products	12.5	11.0	10.4
Other nondurable goods industries	5.3	5.7	4.7
Transportation, communication, and other public utilities	6.2	5.5	3.5
Railroad and railway express	8.4	9.0	4.5
Other transportation	8.4	5.7	4.2
Communications and public utilities	2.8	3.0	2.2
Wholesale and retail trade	7.3	6.6	5.8
Service industries	4.7	3.5	3.2
Finance, insurance, and real estate	2.9	2.1	1.5
Professional services	2.8	1.8	2.0
All other service industries	7.6	6.0	5.4
Public administration	2.8	3.1	3.0

Mr. McNAMARA. Mr. President, perhaps one bit of evidence is more impressive than any other in demonstrating the tenacity of the present recession.

It is contained in the document issued by the Department of Commerce entitled "Current Population Reports, Labor Force." In the March 1959 issue, page 3, the following appears:

The recent recession differs somewhat from the two earlier postwar downturns in the pattern of decline in unemployment. The recovery in 1958 was largely compressed into a short span of months in the second half of the year with little change in unemployment since November, except for seasonal fluctuations. As a result, some 10 months after the generally accepted turning point in the 1958 downturn, unemployment was just about halfway back to more typical postwar levels, whereas the job recovery was more nearly complete at the corresponding stage of the previous cycles.

What is the significance of these figures that tell us that 4.7 million persons are unemployed?

They are not mere ink on paper gathered from an unfeeling adding machine.

These figures are easily translated and that translation should make very unhappy reading for every Senator.

Behind each single digit is an unemployed person. And behind each jobless worker is a story of hunger, illness, and degradation.

It is difficult to talk about the problems of the unemployed without sounding like little Eva. The words one must use are inadequate to express the hardship and misery which the unemployed must wake up to morning after morning.

Yet I wonder if we cannot envision the anguish suffered by a father, who watches his children go off to and return from school, knowing that their only decent meal will come as a result of the school lunch program.

I wonder if it is not in us to gage what an experience it must be to face family sickness which must go untreated because of poverty.

And what happens to the pride and self-respect—which keeps most of us going—of millions of American working people? A man has only a few alternatives, once he has exhausted his unemployment benefits.

He can borrow from his relatives, who in most cases are only a short step away from his own perilous circumstances. He can beg from the local welfare agencies. We submit that begging is an accurate description in most instances—primarily because many State and local welfare funds have already been drained—and can give relief only to those in what is termed a disaster classification.

He has another alternative if he has children. He can desert his family and thereby enable his children to become eligible for the joint Federal-State program of aid to dependent children. It is ironic that by past action and inaction we have placed a premium on a father's desertion of his family. Yet in State after State—and in more cases than even the local agencies care to document—this is exactly what is happening.

That these are the several alternatives from which the unemployed can choose is appalling, in a Nation as wealthy as ours.

We have offered this amendment to create another decent and honorable alternative. Ours is a program that would do far more to really meet this emergency than the bill, H.R. 5640, reported by the Finance Committee.

H.R. 5640 would continue temporarily benefits for all those who established their eligibility under the 1958 Temporary Unemployment Compensation Act before March 31, 1959. It would provide a measure of relief for the approximately 265,000 persons who will be drawing benefits as of March 31, plus those who established eligibility at a prior time, returned to work, and again became unemployed during the period from March 31 to June 30, 1959. The outside maximum number that would fall into the latter category is estimated to be 140,000 persons.

Thus, a maximum of 405,000 persons would be affected by H.R. 5640, or less than 10 percent of those now unemployed. The total cost, if 405,000 persons were benefited, would be $78 million.

In short, H.R. 5640 would take care of less than one-tenth of the problem that exists.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CLARK. I hope our colleagues will give heed to the most significant statement which the Senator from Michigan has just made. Did I correctly understand the Senator to say that the bill which was reported favorably by the Finance Committee would take care of only 1 out of every 10 unemployed individuals in the United States today?

Mr. McNAMARA. That is correct. The Senator correctly interprets what I said. News releases at the time the bill was passed last year stated the facts.

Mr. CLARK. It is my recollection that at the time the temporary unemployment-compensation bill was passed last year unemployment was not much, if any, higher than it is today.

Mr. McNAMARA. It was approximately the same.

Mr. CLARK. So, if there was a need last year for dealing with the problems of the unemployed people, as the Senator has so eloquently outlined, there should be an equal need today.

Mr. McNAMARA. There certainly is.

Mr. CLARK. Yet the bill before us ignores the needs of 9 out of every 10 unemployed Americans. Is that correct?

Mr. McNAMARA. That is correct. I thank the Senator for placing emphasis on these points which are so important.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. BYRD of Virginia. The Senator understands that the figures he has used include all unemployed persons. They include not only those covered by the unemployment compensation system, but all unemployed persons. The Senator stated that the bill would take care of 1 in 10.

Mr. McNAMARA. That is correct.

Mr. BYRD of Virginia. The 1 in 10 includes all unemployed persons, whether on the farms or elsewhere.

Mr. McNAMARA. That is correct.

Mr. BYRD of Virginia. Does the Senator know what percentage of those covered by the unemployment compensation system would be taken care of?

Mr. McNAMARA. Is the Senator referring to those previously covered by unemployment compensation provisions?

Mr. BYRD of Virginia. Yes.

Mr. McNAMARA. The figure would be about one in seven, if we eliminate people with no previous work record in industry, who came into the work force after completing their education, or came from farms. The figure would be reduced to one in seven. But even one in seven is a horrible situation. The situation is as bad as it was a year ago, when the Congress acted.

Mr. HART. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. HART. Pursuing the point as to what we may anticipate, and to what extent coverage would be applicable under the provisions of the bill recommended by the committee, although I have been a Member of this body only a short time, I have heard mention made of the fact that the automotive industry is basic and essential to our entire economy. Just

how should we anticipate automotive employment in the year ahead, and to what extent are we making provision for unemployment in that basic industry? I ask the Senator if this would not be a clear approach to reason:

During the past year, 1958, there were sold by American automotive manufacturers 4,650,000 new units. If the automobile market should improve by 1½ million units in the calendar year 1959, our employment situation in Michigan, the automotive capital, would be reasonably favorable. But what is the prospect for automotive sales in the current year? It must be remembered, again, that last year 4,650,000 new units were sold.

If the automotive market should absorb 5¾ million cars during the present year, which would be a million more than in the past year, we in the State of Michigan would average about 335,000 unemployed for this year. Is this not a reasonable rule of thumb to use in seeking to determine what the unemployment problem in our State will be?

Mr. McNAMARA. It is a very good rule of thumb to use. I point out also to the distinguished junior Senator from Michigan that this is not a problem which is confined only to Michigan with regard to the automobile industry. The automobile industry is a farflung industry. In fact, one out of every seven persons who works for wages or salary in the United States is employed directly or indirectly because of the automobile industry. It is a farflung industry and a farflung problem, and it affects great areas of our country.

Mr. HART. Would it not include also glass and rubber?

Mr. McNAMARA. Certainly.

Mr. HART. And steel?

Mr. McNAMARA. Certainly.

Mr. HART. Pursuing the point of what we may reasonably anticipate in the automobile industry this year—and because of its influence throughout the economy as to what we may reasonably anticipate in other areas of the country—I should like to ask unanimous consent that there appear at this point in the discussion three paragraphs from the current Ward's Automotive Reports, which is second only to the Bible in importance in Michigan. I read a portion of the excerpt, if I may, as follows:

> Despite the steady sales pace, new car inventories are rising. The volume was 686,600 at the end of January.
>
> This is stock in dealers' hands—
>
> It grew 64,000 units and 9.4 percent to 750,000 at the end of February. It appears that another 80,000 to 100,000 autos will be added by the end of March, making for an 850,000-unit inventory.

If there is any lesson to be learned from history, it would appear to be that with this prospect we can look for very great trouble not alone in the automotive industry, but also in other industries.

I am sure I express the appreciation of the people of Michigan to the distinguished senior Senator from Michigan for his eloquence and leadership in the effort to make meaningful the action which Congress should take with respect to treatment of the unemployed for the next year.

Mr. McNAMARA. I thank the Senator, my colleague, and I join in his request to have printed in the RECORD the excerpt to which he has referred.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> Despite the steady sales pace, new car inventories are rising. The volume was 686,000 at the end of January. It grew 64,000 units and 9.4 percent to 750,000 at the end of February. It appears that another 80,000 to 100,000 autos will be added by the end of March, making for an 850,000-unit inventory.
>
> The abundant dealer stockpile is beginning to affect factory employment. At the end of last week, Mercury released 301 men at its St. Louis assembly plant in a move to adjust inventories. Starting Mar. 24, Buick will lay off 4,500 out of an 18,000-man force at its Flint operation for the same reason.
>
> Four-day assembly has been prevalent recently at various B-O-P sites, an occasional Chevrolet plant and at Mercury.
>
> Including imports, March sales should crowd 500,000.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. The unemployment compensation program was adopted, as the Senator from Michigan knows, about a year ago on the basis that it was to be a temporary program. It was to tide things over until the State legislatures could be called in session. The Michigan Legislature has been in session since this program was enacted. I should like to ask what the State of Michigan has done to take care of the unemployment problem in Michigan.

Mr. McNAMARA. I am happy to reply to the Senator from Delaware in this way. The Senator said the program was adopted to give State legislatures an opportunity to meet. That is true. That certainly was a consideration. However, there were other considerations at that time. We had the assurance of the economists who were advising the President of the United States and we had the assurance of the President and his Cabinet that we were out of the severe recession and that we needed only a temporary program to get us over the hump, so to speak.

That prophecy, Mr. President, went down the drain. The State legislatures have struggled with this question. In Michigan, unfortunately, the struggle has been largely on a political basis, with one party damning the other and trying to make politics out of the situation. That is unfortunately true of the problem in Michigan.

Mr. WILLIAMS of Delaware. That is most regrettable. Has the Governor recommended any action which the legislature should take?

Mr. McNAMARA. The Governor has made several recommendations. They were turned down by the legislature. The legislature is now in session, and is in a constant struggle to determine what should be done.

Mr. WILLIAMS of Delaware. Does not the Senator agree with me that this problem is to a large extent a State problem and that the State legislature in Michigan as well as other States should take steps to help the unemployed in their areas? Should not the legislature and the Governor, therefore, get together in trying to solve the problem?

Mr. McNAMARA. I agree with the last part of the Senator's statement, that the Governor and the State legislature should get together. However, in the United States there are nearly 5 million unemployed people and thousands of hungry families. I say it is a national problem. It is a national disaster. It is more than merely a problem for the individual States to solve.

Mr. WILLIAMS of Delaware. I recognize the problem, but is it not strange that a State which is affected as much as Michigan is affected should not also have recognized the disaster to the extent at least of trying to do something to help itself? I do not understand what can be meant by the argument that the State of Michigan has been deadlocked in a political discussion of the problem. Certainly there is some responsibility in this matter on the part of the States. Apparently the State of Michigan is one of the States which has done nothing about it.

Mr. McNAMARA. I do not wish to leave the record at this point with the implication that this is more of a problem for the State of Michigan than it is for the entire country. The Michigan unemployment benefits are among the highest in the country. The trust fund now stands at $197 million, of which $183 million consists of borrowed funds. Therefore, we in the State of Michigan do not agree at all that this is merely a State problem. It is a national problem. It is not a problem for the individual States to solve. It is certainly no more of a problem for Michigan than it is for all the other States. It is a national problem, I repeat. The recession in which we find ourselves is a national problem. It is not a problem which should be shunted to the States. I would not be on the floor of the Senate making these statements and offering my substitute if I thought the States could handle the problem individually.

Mr. WILLIAMS of Delaware. I have been reading the testimony given before the Committee on Finance by Mr. Max Horton, director of the Michigan Employment and Security Commission. During the testimony the chairman asked this question:

> Has anyone in the Legislature of Michigan introduced a bill providing for 39 weeks?
>
> Mr. HORTON. Not for under State law. They have had that would allow us—we have had 26, we have been above the average of most States for many years.

The witness went on to point out that no action has been taken under State law, and that no bills have been introduced. Has the Governor made recommendations in this connection?

Mr. McNAMARA. For 8 years the Governor of our State has been fighting for a program in this area. For 8 years he has met resistance by the Republican legislature. That is exactly what has been happening. It is not correct to say that the Governor has not been trying

to do something about it. For 8 years he has been fighting to bring about some relief.

Mr. WILLIAMS of Delaware. I am merely quoting from the testimony. The witness stated also that the Governor in his inaugural address discussed this subject and that the Governor was preparing a special message on the subject expected to be delivered soon. The RECORD should show, however, that according to the testimony of Mr. Horton, nothing has been done in the State of Michigan to cure this problem.

Mr. McNAMARA. In answer to that testimony, I should like to say that the Governor's record shows that he has been constantly fighting to do something to improve the situation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with a great deal of interest to the very pertinent address of my friend from Michigan and to the comments of the Senator from Delaware during the speech. I should like to note that the State of Delaware took advantage of the Temporary Unemployment Compensation Act last year, and that according to the latest figures on insured unemployment the percent unemployed in Delaware is 4.3 percent. I wonder whether the Senator could enlighten us as to what steps the legislature in Delaware has taken to meet this problem.

Mr. WILLIAMS of Delaware. The time payment period was extended on the recommendation of the Governor.

Mr. CLARK. To what period?

Mr. WILLIAMS of Delaware. I think it is now 39 weeks. I do not have the official information before me, but I know action was taken to extend the time. I will get the correct information and place it in the RECORD.

Mr. CLARK. I think it would be interesting to have it, because I thought my own Commonwealth of Pennsylvania had the longest period—30 weeks.

Mr. WILLIAMS of Delaware. I will check the figure; but I know action was taken and I think the above report is correct.

Mr. McNAMARA. Mr. President, the discussion is entering the realm of individual State problems. That is not my desire. I want to return to the thesis of my speech, which is that this is a national problem, one which is virtually verging on national disaster. I do not accept the thesis that it is a problem for Delaware, or Michigan, or Pennsylvania, or the other individual States.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CARLSON. I think the Senator from Michigan is ably presenting the picture nationally, but I also think that he has excellently presented the situation in Michigan. I have the greatest sympathy for those who are unemployed in Michigan and also throughout the Nation. But I think Michigan has a peculiar and a particular problem, as was stated by Mr. Walter Reuther, the president of the United Automobile Workers, when he testified before the Committee on Finance. If the Senator from Michigan will permit me to do so, I should like to quote from Mr. Reuther's statement on page 53 of the hearings.

Mr. McNAMARA. I am happy to have the Senator do so.

Mr. CARLSON. Mr. Reuther said:

> What is happening in the automotive industry, for example? If you take the period of production from 1947 to 1957, we increased the production of automobiles more than 50 percent, but the number of workers required to make that greater production—not only 50 percent more cars but much more complicated automobiles—we only needed 0.5 percent more workers to make more than 50 percent more automobiles.

Mr. McNAMARA. I am happy to have that statement appear at this point in the RECORD. I think it is most important.

Mr. CARLSON. I think the most critical unemployment problem is in the automotive industry and it is a problem which goes much deeper than unemployment compensation, benefit payments, or the duration of compensation.

In the financial page of the Washington Post and Times Herald this morning is an article written by J. A. Livingston which discusses the automotive situation. I should like to read an excerpt from it, because I think it is pertinent to the subject the Senator from Michigan is discussing.

Mr. McNAMARA. I shall be happy to have the Senator place it in the RECORD at this point.

Mr. CARLSON. Mr. Livingston says:

> In boomy 1955, more than 52 percent of the jobs in the automobile industry were in Michigan and 37 percent in and around Detroit. Last year Michigan accounted for only 45 percent of automobile employment and Detroit for only 29 percent. According to U.S. Commissioner of Labor Statistics, here is how this came about:

Automobile employment

	1955	1958	Percent decline
United States	904,000	627,000	31
Michigan	477,000	284,000	40
Detroit	333,000	182,000	45
Rest of United States	427,000	343,000	20

While I deeply sympathize with the situation of the automobile workers, it seems to me the problem goes deeper than unemployment compensation payments and related matters. It is a problem caused by a shift in an industry coupled with automation. It is not simply the matter of providing unemployment compensation, important as that is.

I compliment the Senator from Michigan upon the splendid statement he is making in behalf of unemployed persons, but I think the problem has many aspects which are not affected by the bill.

Mr. McNAMARA. I appreciate the comment of the Senator from Kansas, especially his emphasis on automation and the inroads which it is making on employment in industry, as was so dramatically stated by Walter Reuther, in the quotation which the Senator has placed in the RECORD.

The program proposed by the bill is not designed to provide the basic correction, as the Senator from Kansas has so ably stated. Later in my speech I shall suggest some answers for these ills, taking into consideration automation and the other factors involved.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. Earlier the Senator from Pennsylvania [Mr. CLARK] raised a question as to the extension of the period for unemployment compensation in Delaware. I wish to make the record clear. Delaware did extend the benefits to 39 weeks.

I may say to the Senator from Michigan that I was not trying to say whether the troubles are the fault of the Governor of Michigan or the Legislature of Michigan. I was simply trying to emphasize the importance of having both political parties work together.

In Delaware we happened to have a somewhat similar political situation. The Governor was of one political party, while both houses of the legislature were controlled by the other party. But both parties were able to work together and design a program at the State level. This, I think, is the responsibility of all political parties in all the States.

Mr. McNAMARA. I agree with the Senator from Delaware that it is the responsibility of both political parties and of all other segments of the economy—employers, charitable institutions, taxpayers' organizations, and the like. Everyone is involved; everyone is concerned. I say that my amendment proposes a program which everybody should support.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. BYRD of West Virginia. A suggestion has been made to the effect that the individual States should handle this problem themselves. I compliment the Senator from Michigan for taking the position that it is a national problem, one with which the Federal Government will have to deal.

I think it is very important at this point to say, with reference to the statement that the problem should be dealt with by the States themselves, that my State of West Virginia is certainly in no position to cope with the unemployment in the State. Governor Cecil H. Underwood, when he recently appeared before the Subcommittee on Production and Stabilization of the Committee on Banking and Currency, said something which I think is pertinent to our discussion. I quote from his testimony:

> In the last 20 months, more than 50,000 workers in West Virginia have exhausted their regular unemployment benefits. * * *
>
> During the calendar year of 1958 West Virginia paid unemployment benefits totaling nearly $50 million. Payments in this volume have a marked effect not only on the trust fund of the employment security department but on the State's industry.

The tax commissioner of West Virginia, the Honorable John A. Field, Jr.,

made a statement which I think will adequately explain the inability of West Virginia to deal with this problem. I think the statement points up the great need for Federal assistance in this area. Mr. Field said:

> The tax commissioner's office of West Virginia does not reflect the total State revenue, but it does reflect, I think, those sources of revenue that indicate the economy of the State and the condition of its economy. * * *
>
> By December 31 [1957] we showed only a gain of $9,600,000 over the previous calendar year, so our attrition was beginning to appear.
>
> Then at the end of the fiscal year, on June 30, 1958, we showed only a gain of $3,373,000.
>
> So we realized that we were shipping water fast.
>
> That trend continued, and at the end of the calendar year 1958 we showed a loss of general revenue through our office of $4,400,000 compared to the calendar year 1957.
>
> With that picture in mind, the board of public works in the latter part of December felt called upon to invoke the statutory reserve of 5 percent, and that, of course, curtailed every participation of the general revenue appropriation 5 percent of its over-all appropriation for the fiscal year.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

The PRESIDING OFFICER (Mr. McGEE in the chair). The hour of 12 o'clock has arrived, and the morning hour has expired.

The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

EXTENSION OF TIME FOR RECEIPT OF UNEMPLOYMENT COMPENSATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of House bill 5640.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The Senator from West Virginia may proceed.

Mr. BYRD of West Virginia. Mr. President, I read further from the testimony given by the tax commissioner of West Virginia, Mr. John A. Field, Jr.:

> Since we only had 6 months to go, in fact, it amounted to a 10-percent curtailment from that time on out.
>
> Of course, while it creates difficulties in State agencies and State departments, by far the most serious effect of that is in our county schools, because their State aid comes from the general revenue fund.
>
> I might say, parenthetically, that there is pending now some litigation as to whether the State can invoke the 5-percent reserve against that.
>
> But regardless of that, realistically, they are now faced with that loss of State aid, and many counties may have to curtail their school term to 8 months or curtail their activities and their curriculum.

That is because their State aid comes from the general revenue fund.

At this time, I merely wish to point out that this problem is one with which my State certainly is not in a position to deal, and I think the Governor's remarks and those of the tax commissioner of West Virginia make this point clear. I compliment the Senator from Michigan for saying that the problem is a national one, and I associate myself with his remarks. I commend him for the excellent work he has done in bringing before the Senate a bill which will treat this problem in an adequate way.

In closing, let me say that although I certainly accord a sincerity of purpose to the authors of House bill 5640, I believe it is a timid, unrealistic, halfhearted approach which is reminiscent of the head-in-the-sand attitude which, so often, has been taken in regard to some of our other problems. I hope that the amendment offered by the senior Senator from Michigan, cosponsored by myself and others, will be adopted.

Mr. McNAMARA. I thank the Senator from West Virginia for his contributions.

Mr. GRUENING. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I yield.

Mr. GRUENING. I am very happy and proud to join in sponsoring the amendment. I can think of no more vital way to demonstrate that the Congress is really concerned with the welfare of the American people, as well as with the welfare of the people of the 70-odd other countries in the world.

I wish to point out that in the list which sets forth the number and the percentages of the unemployed in the various States, the 49th State has been omitted. We understand how that happened, because we realize that all agencies of the Federal Government have not yet fully adjusted their reports and records, following the admission of Alaska as one of the States of the Union.

But it is important that Alaska be considered in this connection, because in Alaska unemployment has reached a total of 6,588, or 14 percent. The number of unemployed persons in Alaska—6,588—is larger than that in a number of States more populous than Alaska, larger than the number of unemployed—6,610—in the State of Delaware, whose distinguished senior Senator [Mr. WILLIAMS] I am glad to see on the floor at this time.

Alaska's number of unemployed is also greater than the number of unemployed—5,894—in Nevada. I am happy to see the Senator from Nevada on the floor at this time, also.

Furthermore, Alaska's number of unemployed is greater than the number of unemployed—5,668—in New Mexico; or the number of unemployed—4,118—in South Dakota; or the number of unemployed—4,921—in Vermont; or the number of unemployed—4,264—in Wyoming.

It is alleged that this is a State problem, not a Federal problem. But, Mr. President, it happens that in Alaska the Federal Government has a very special and peculiar responsibility for the large number of unemployed. Alaska's unemployment problem can be laid directly at the door of the Federal Government, inasmuch as a few years ago the Federal Government concluded a treaty with Japan, and did so without any consultation with the people of Alaska or without permitting the people of Alaska to participate in the matter in any way. By means of that treaty, a line was drawn north and south across the Pacific Ocean at a certain meridian, east of which the Japanese were not supposed to fish. But that treaty, which was made without participation by the people of Alaska, was made by the Federal treaty draftsmen in woeful ignorance of the pelagic habits of the Pacific salmon, one of our great natural resources—with the result that today the Japanese are catching large numbers of American-spawned salmon. The result has been disastrous to Alaska's most important fishing area, Bristol Bay, where there is now virtually total unemployment, and as to which the Fish and Wildlife Service has announced that there will be a complete shutdown this year—meaning that the sole livelihood of those persons has been taken away by the Federal Government.

Furthermore, other fishing areas, for many years under the control of the Federal Government, and once great natural resources of Alaska, have declined in productivity, so that from a high pack of more than 8 million cases 25 years ago, the pack today has dwindled to less than 3 million cases.

But during all these years, despite the repeated pleas of the people of Alaska, the memorials of every Alaska Legislature, and the strong representations of the then delegates from Alaska, the Federal Government and its Congress have declined to act, with the result that during the first 3 years of the Eisenhower administration, Alaska's fishing communities had to be declared disaster areas—the first time in my experience that a disaster area has been caused, not by a so-called act of God—in other words, not by a flood, a hurricane, a tornado, an earthquake—but by acts of man.

Mr. President, even if there were now no unemployment in Alaska, I would strongly favor the pending amendment. But under the present circumstances, I think it is clear that the plight of one State is the concern of all, and that this is a national problem. Therefore, I wish to call attention to the fact that owing both to the direct action of the Federal Government and, in other cases, its failure to act, Alaska now has the largest percentage of unemployment of any State under the flag; and the responsibility for it can be laid directly at the door of Federal mismanagement, Federal ignorance in treaty-making, and Federal mismanagement by the agency which had and still has control of our fisheries.

Therefore, I believe it is most necessary that the amendment submitted by my colleague [Mr. McNAMARA] be agreed to. The 3-months provision will be of no use at all.

Mr. BYRD of Virginia. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I yield.

Mr. BYRD of Virginia. Let me say that I have visited Alaska, and I enjoyed very much my visit there.

Mr. GRUENING. We were very glad that the Senator from Virginia visited Alaska.

Mr. BYRD of Virginia. I am very much interested in what the Senator from Alaska has had to say about the situation there. How long will the treaty remain in effect?

Mr. GRUENING. On June 12, 1953, it came into force for 10 years.

Mr. BYRD of Virginia. Does it have a termination date?

Mr. GRUENING. It will continue thereafter unless a party gives notice. It is possible therefore for the United States to give notice for expiration June 12, 1963.

Mr. BYRD of Virginia. I understand that the salmon go into what formerly were international waters, and congregate there before they go to Alaska to spawn.

Mr. GRUENING. That is correct.

Mr. BYRD of Virginia. I also understand that the Japanese are catching the salmon in those waters, which prior to this treaty were regarded as international waters. Is that correct?

Mr. GRUENING. Yes; they were regarded as international waters. But the treaty line could have been drawn some 20 degrees to the west, in which case our supply of American-born salmon would not have been impaired, and we would not now have the tragic and disastrous situation which today confronts one of our most important fishing areas.

Mr. BYRD of Virginia. Practically all the salmon to which the Senator from Alaska has referred are spawned in America, are they not?

Mr. GRUENING. Yes. It is somewhat ironical that we should allow fish of American birth to be captured by the Japanese.

Mr. BYRD of Virginia. I am very much interested in the bill, and also in the subject the Senator from Alaska has mentioned.

After the salmon spawn, they travel several thousand miles, do they not?

Mr. GRUENING. Yes—and for 2, 3, or 4 years, depending on the species of the salmon.

Mr. BYRD of Virginia. Eventually they usually return to the stream in which they spawned, do they not?

Mr. GRUENING. That is correct. They return to spawn there, and then die.

Mr. BYRD of Virginia. I understand that the thought of the Senator from Alaska is that the treaty should not have been made, inasmuch as it permits the Japanese to fish for the salmon in these particular areas.

Mr. GRUENING. The treaty should have been made with a different line of demarcation.

Mr. BYRD of Virginia. Prior to the treaty, what was the situation?

Mr. GRUENING. At that time our fisheries were not impaired by Japanese fishing; the Japanese did not fish in our waters, and they did not fish on the high seas for our salmon.

Mr. BYRD of Virginia. In other words, the treaty enlarged the area in which the Japanese could fish for salmon, did it?

Mr. GRUENING. It created a new area in which the Japanese could catch our American-born fish.

Mr. BYRD of Virginia. In other words, it enlarged the area in which the Japanese could fish?

Mr. GRUENING. That is correct. And, of course, this situation applies not only to Alaska, but also to Oregon and Washington.

Mr. BYRD of Virginia. And the fish which are affected are the full-grown salmon which are on their way back to Alaska to spawn; is that correct?

Mr. GRUENING. They are the full-grown salmon which return to Alaska to spawn. However, the Japanese are catching both immature fish and full-grown fish, and consequently are spoiling the runs for both the current year and following years.

Mr. BYRD of Virginia. I thank the Senator. I was very much interested in that subject when I was in Alaska.

Mr. GRUENING. I appreciate what the Senator has said. I wish to emphasize that this is a Federal responsibility if ever there was one. For 40-odd years Alaska, through its voteless Delegates in the House, through its legislature, through referendums of the people of Alaska, which, of course, were only advisory, pleaded with the Federal Government to restore the control of a valuable national resource to the people of Alaska so they could handle it much better. The failure to do so is directly responsible now for the present high figures of unemployment in Alaska. Consequently it is a Federal responsibility to take care of those unemployed and remove the causes of their unemployment. That is why I am supporting the McNamara amendment to substitute Senate bill 1323 for the very much poorer House version.

Mr. McNAMARA. Mr. President, I thank the Senator from Alaska for his contribution to this discussion. I am sure the fishing industry is vital to the economy of his State.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I am happy to yield to my colleague from Ohio, under the same circumstances under which I previously yielded.

Mr. YOUNG of Ohio. Mr. President, the Senator from Michigan has made a fine presentation this morning. He has rendered a real and needful public service in bringing his amendment before the Senate. I express the hope that his proposal will prevail when we vote upon it.

About 28 years ago, Mr. President, the then Governor of Ohio appointed Rabbi Silver, of Cleveland, and several other citizens of my State of Ohio, including myself, as members of the Ohio Commission on Unemployment Insurance.

Following their appointment, which was back in 1931, the commission spent time and effort holding hearings in various cities of Ohio. Then we drafted the Ohio unemployment insurance law. We in Ohio were pioneers among the States of the Union in drafting an unemployment insurance law. It is pleasing to me to recall at this time that some of the paragraphs of the present Ohio unemployment insurance law were originally in my own handwriting.

In this great Nation involuntary unemployment is a great moral wrong. There is great need for legislation such as that proposed by the senior Senator from Michigan. His proposal has my earnest support, and it is my hope that he will meet with success. I wish to compliment him.

Mr. McNAMARA. I thank the Senator from Ohio for his complimentary remarks. It appears to me that as Senators rise on the floor and speak of problems in their own individual States, we hear expressions concerning a problem which exists almost from border to border and coast to coast. So, I repeat, it is a national problem.

To continue with my statement, S. 1323, which is my amendment, would provide a uniform 16 weeks of benefits for all persons who had exhausted their unemployment insurance eligibility under existing programs. It would provide similar benefits for all those who had substantial earnings records in the past 2 calendar years and who had not been in covered employment. The main provisions of the bill are, briefly:

First. Sixteen weeks of benefits for all those who exhausted unemployment insurance rights under any and all existing programs including the Temporary Unemployment Act of 1958.

Second. Sixteen weeks of benefits for all those who worked in uncovered employment and who (a) earned a total of $1,000 during either of the 2 calendar years for which records are available prior to application for benefits; and (b) who worked a total of four quarters during the 2-calendar-year period.

Third. Benefit amounts would be determined as follows: (a) Exhaustees. Weekly benefit would equal that obtained under existing programs; (b) noncovered. Weekly benefit would be equal to 1¼ percent of yearly earnings, with a maximum equal to the maximum granted under the State unemployment insurance program.

These criteria would prevent the imposition of an undue administrative burden on the State agencies.

The Bureau of Old-Age and Survivors Insurance has earnings records which would provide the necessary data, at a cost of 60 cents per application.

Fourth. A State would have the option to enter into that part of the program which provides benefits for those in uncovered employment.

I repeat, this would be optional with the States.

Fifth. All recipients must be ready and willing to work, and must accept reasonable employment openings obtained by the State employment agencies.

We estimate that approximately 3¾ million persons would be benefited by the enactment of this amendment. It would help immediately the 1.8 million who are

now unemployed and who have exhausted their rights under existing programs, or whose jobs, while they had them, were not covered by State programs.

I submit, Mr. President, that a jobless worker can get just as hungry whether his previous employment was covered by an insurance program or was uncovered.

In addition, another approximately 2 million persons who would exhaust their benefits in the coming 15 months would also receive vital assistance.

It is, of course, difficult to measure the precise cost of this program, because we do not have the experience to determine what the uncovered worker will draw in benefits. Our best estimate is that it will cost between $850 million and $950 million.

This assumes that recovery will continue to lag. If the recession ends as quickly as we all hope—and as some leaders have categorically said it would—this expenditure will be considerably reduced.

I point out that an estimated $206 million of the $640 million which Congress appropriated last year for temporary unemployment compensation will be unspent as of March 31 of this year.

This means that any action which we take this year should be measured against the sum remaining from last year's appropriations.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. The Senator will recall that a joint statement was prepared by 18 Senators and presented to the Finance Committee in support of the bill of my good friend from Michigan. In that statement, which I caused to be inserted in the CONGRESSIONAL RECORD of yesterday, the following sentence appears on page 5033 of the RECORD:

> We would like to point out that an estimated $206 million of the $640 million which Congress appropriated last year for the TUC Act will be unspent as of March 31 of this year. This means that by carrying this money over into the expenditures for S. 1323, the total new money called for would be approximately $670 million.

I recognize the difficulty in bringing the figures to a high degree of accuracy, but in view of some comments I propose to make later, does the Senator agree that $670 million is as good an estimate as we can make of the cost to the 1960 budget of S. 1323, which is the pending amendment, if enacted into law?

Mr. McNAMARA. Yes. I think that is a fair estimate of the amount of new money—I repeat, new money—which will be needed, unless the optimistic statements by some Senators on the floor and by some persons in the administration that the recession is going to pass soon are fulfilled. Then, of course, my proposal would not cost nearly that much.

Mr. CLARK. I raise the question because I intend to suggest to the Senate a number of ways in which this money, and far more, could be obtained without any general increase in the tax rates.

Mr. McNAMARA. I am certainly glad the Senator is prepared to do that. I shall discuss that phase in my statement a little later.

Mr. President, the cosponsors of this amendment do not offer it as a solution to the basic problem of unemployment. We know it is not that, but only a means to ease the suffering of those most affected by the shortage of jobs during this critical period.

The great majority of us are also cosponsors of a bill which would provide us with an effective attack on this problem of chronic national unemployment. That bill, S. 791, the Kennedy-McCarthy bill, would establish minimum national standards for unemployment insurance considerably more adequate than those standards now in existence throughout the 49 States and Hawaii.

We are of the opinion that the enactment of such legislation is essential. It is the only way to provide realistic protection against the rapid cycle of unemployment which we have experienced in the recent past. Unless we return to the basic philosophy of unemployment insurance which characterized its initiation in 1938—namely, that an unemployed person should receive benefits which equal roughly one-half of his earnings for a realistic period of time—we shall never fully meet this problem.

We believe that if we had the provisions of the Kennedy-McCarthy bill on the books today we would not be faced with such a debate as we now encounter.

In fact, the reason why this amendment is drafted to carry us through July 1960 is that on that date S. 791 would become effective, if we can make a sale to the Congress, and to the gentleman on Pennsylvania Avenue.

It should be apparent that one of the reasons why the recession has not deepened has been the very existence of unemployment compensation, inadequate as it is. We can take additional steps which will insure recovery and prevent future economic crisis.

The Senate passed on Monday the area redevelopment bill which, if properly executed, can help eliminate the pockets of hard-core unemployment which presently exists.

We should work for legislation which will retrain a great part of the chronically unemployed.

It is madness to continue a situation wherein industry is begging for trained technicians while 4.7 million are unemployed.

Certainly the Housing and Airport Acts which we have passed will help to create jobs in the construction industry. The community facilities bills which are now pending or under draft will also help.

But let us rectify our past mistake of failing to insure against the problems which we now face. The enactment of this amendment will give us breathing room to create the legislation which will prevent a recurrence of a situation where 4.7 million Americans are without jobs.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my distinguished colleague, the Senator from Tennessee.

Mr. GORE. I have listened with attention and interest to the able address of the distinguished senior Senator from Michigan.

The problem of unemployment is not a new one. As the Senator stated, we considered the problem a year ago. At that time I characterized the bill then before the Congress as an inadequate, piecemeal and unfair approach.

The record now stands, does it not, that people of only 17 States have been direct beneficiaries of that previous enactment?

Mr. McNAMARA. I recall the Senator's position at the time we debated the temporary extension program last year. I confirm what the Senator says and say to him that he is correct in reference to the condition in the 17 States.

Mr. GORE. I voted against the passage of the bill at that time for the reasons which I have indicated. I may have erred in so doing. The distress of millions of unemployed brings a need for a helping hand not only to the people in 17 States but to the people in all 49 States, and that distress is not to be dealt with lightly. I did not undertake to deal with it lightly. I expressed my exasperation over the failure of the Congress and the administration to adopt and prosecute a vigorous program of economic activity which would promote full employment.

I do not like to support the kind of bill which the Senator is offering as a substitute. I would much prefer programs to provide employment opportunities.

I cannot claim very much credit for the supplemental views contained in the report on the pending bill. I did contribute one paragraph, which I should like to read. I ask the Senator to turn to page 12 of the report. I should like to read the one paragraph which I contributed, and which my colleagues adopted:

> The preferable solution, of course, would be the adoption of programs of action to promote a full employment national economy. Undoubtedly, the unemployed would prefer jobs to unemployment compensation. So would we, but social justice requires emergency action now.

Mr. McNAMARA. I certainly recognize the Senator's viewpoint, as so well expressed even in the one paragraph. I suggest to the Senator, it is a great contribution even though it is short. It is very concisely stated.

Mr. GORE. I thank the Senator. I intend to vote for the substitute the Senator proposes not because it is my preference but simply because of the absence of action to provide employment opportunities to the approximately 5 million people who are totally unemployed, many of whom have been unemployed for a long while. Recognizing the high cost of living for these people and the economic, psychological and personal distress these people suffer, I propose to vote for the substitute offered by the Senator from Michigan.

Then, in the event his amendment is not adopted, I think I shall vote this year for the passage of the bill. Even though it is inadequate, unfair, and

piecemeal, it will provide assistance to some.

Mr. McNAMARA. I point out to the Senator again that about 10 percent of the need can be met by the passage of the bill which came over from the House. We are very much concerned, as the Senator has indicated, with the other 90 percent.

In connection with the remarks of the Senator from Tennessee, I remind the Senate that he was the father of the interstate highway construction program, which is now providing many hundreds of thousands of jobs for people throughout the United States. That, in itself, was a great contribution to the economy of the United States, which is in such a depressed condition at this time. I know of the Senator's concern, and his attempts in the past to do something to meet this problem. I shall join him in any future activities he undertakes to try to create employment, rather than insurance.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield to the Senator from Tennessee.

Mr. GORE. I am grateful for the generous remarks of my able colleague and friend. It was 1 year ago this week that we debated for 3 days and finally passed, by a vote of 84 to 4, a bill to accelerate the highway program. As the Senator recalls, it had been proposed to stretch the program out, to slow it down. That proposal was made at a time of widespread unemployment.

Instead of accepting the slowdown proposal, the committee on which I had the privilege of serving with the able senior Senator from Michigan chose to accelerate.

I point out to the able Senator, who is now chairman of the subcommittee of which it was then my honor and privilege to be chairman, that again a slowdown or stretchout is in prospect unless the Congress acts. I urge the Senator again to refuse to accept a slowdown. I urge him to consider the fact that now—as was the case 1 year ago—there are approximately 5 million totally unemployed, and many other millions partially unemployed. The same social, economic, and national security conditions which impelled the Senate to accelerate the program last year by a vote of 84 to 4 are still present. The same defense needs for better highways exist. I look with confidence to action by the subcommittee on which I no longer have the privilege of serving, but which is now under the able leadership of the senior Senator from Michigan, to bring to the floor of the Senate another bill to accelerate the highway program and provide a stimulus to employment.

Mr. McNAMARA. I thank the Senator. He has very ably stated the current problem in dealing with the roadbuilding program, which was gotten underway under his able leadership.

I wish I could say to the Senator that this year we shall come forward with a further accelerated program, and not a stretchout. The Senator from Tennessee has pointed out that all the elements justifying such action are present. I agree with him.

However, the country has got into a peculiar frame of mind, largely due to the sacredness of a number—$77 billion. In connection with the previous action there was not the psychological situation with which we now must deal. We have already held some hearings in the Subcommittee on Public Roads of which I am now chairman, along the line discussed by the Senator.

We have a little different kind of circumstances from those which characterized the previous situation. Because of that fact, we shall work harder to keep the program on schedule. I can report to the Senate that the Interstate Highway program is on schedule, but we are faced with shortages due to the depression, recession, or whatever one may wish to call it. That situation is affecting our roadbuilding program, because we do not have the revenues which we would have under normal circumstances. The thing we are fighting is the slump in our economy, and the need for doing something about it.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. McNAMARA. I am happy to yield further to my distinguished colleague from Tennessee.

Mr. GORE. I recognize that there is a political climate such as the Senator has described. I shall not be bemused by a political climate, and I trust that the subcommittee, so ably led by the distinguished senior Senator from Michigan, and the full Senate Committee on Public Works, so ably led by the senior Senator from New Mexico [Mr. CHAVEZ], will not be bemused.

We are confronted with a national necessity. The national welfare, the national security, is inescapably and inextricably involved in adequate highway transportation, not only the national security from a military standpoint, but from the standpoint of employment, from the standpoint of prosperity.

I want to see this national necessity kept on schedule. I know that we need additional revenue. There are sources to which the Congress can turn.

The Senate Committee on Finance, of which I am a member, is now in the act of making an appropriate adjustment of the tax laws so as to require the insurance industry to bear a more equitable and realistic share of the tax burden. In this effort we have, belatedly, the support of the Treasury Department; and also the general cooperation of the industry itself—likewise belatedly. But we are moving in the correct direction. There are many more areas to which we can turn, to close the loopholes in the tax laws, and to strike from the tax laws inequities and favoritism, thereby providing the necessary revenue to promote and bring to completion such programs as the highway program, which is necessary to national security, to prosperity, to employment, and to economic well-being.

Mr. McNAMARA. Again, I thank my colleague from Tennessee for his very able contribution.

Vigorous arguments undoubtedly will be offered in this debate to show why we should not take the action proposed. Let us look at them.

The first and foremost argument—one that has been with us since the beginning of this session—will be the budget, to which I have made reference.

We must, of course, face the issue of the budget. All the Senators for whom I am speaking want to see a balanced budget in the fiscal year 1960. Some of us believe that the money which this amendment will cost can be met through economies elsewhere in the budget. Some of us believe that additional revenues should be obtained through closing tax loopholes and removing inequities in the tax structure legislation which is within the province of Congress.

I am certainly glad to hear a member of the Committee on Finance, the distinguished Senator from Tennessee [Mr. GORE] state that the Committee on Finance is now giving serious consideration to the question of tax loopholes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to my distinguished colleague from Tennessee.

Mr. GORE. The Committee on Finance is presently dealing with only one instance of favoritism to income from a particular source. I am glad it is doing that much. The able Senator will perhaps recall that it was a year ago when I undertook to bring about action by the Senate to prevent an extension of such favoritism.

Mr. McNAMARA. I recall it very well.

Mr. GORE. I am glad that the committee and the administration are now cooperating to that end. However, there are many more loopholes which can be dealt with equitably and fairly and realistically. This should be done before Congress proceeds to lay additional taxes upon those who are already carrying a disproportionately large share of the burden.

Mr. McNAMARA. I thank the Senator.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. FREAR. I should like to ask the Senator from Tennessee a question if the Senator from Michigan will permit me to do so without his losing his right to the floor.

Mr. McNAMARA. I shall be glad to yield under those conditions.

Mr. FREAR. The Senator from Tennessee has opened a subject which concerns all of us, because we are desirous of finding increased revenue before we increase the tax burden of our people who are already bearing a heavy tax burden. I should like to ask the Senator to what other fields he is referring in his remarks. The Senator mentioned the tax on insurance companies, and he referred to other fields that we might look into in connection with an increase in taxes.

Mr. GORE. I referred to other fields in which we could make appropriate and equitable adjustments to remove favoritism which now prevails. I shall be glad to list some of them. One is the tax credit on income from corporate dividends. Another is the foreign tax credit, which is a credit against taxes to

our country for alleged taxes paid to foreign countries. Another would be in the field of unjustifiably high depletion allowances in some instances. Another would be what I regard as unjustifiable treatment for so-called capital gains. Another large field is in the administration of the law itself, particularly with reference to expense accounts. If I had a few more moments to give thought to the question of the able Senator, I believe I could suggest perhaps two or three times the number that I have already listed.

Mr. FREAR. That seems to be a fair list to start with.

Mr. GORE. Yes; at least it would occupy the committee for a few days.

Mr. FREAR. It certainly would. I am not familiar with the dollar and cents revenue these programs might bring into the Treasury. Does the Senator have any idea how much would be brought into the Treasury as a result of the enactment of such a program?

Mr. GORE. It would depend upon how realistically and adequately Congress dealt with the instances of tax favoritism. I would say that if we require the insurance industry alone to bear a fair and equitable share of the burden of Government and national defense, that this alone might provide enough additional revenue to keep the highway program on schedule.

Mr. FREAR. I assume the Senator is speaking in terms of $500 million or more which would be realized.

Mr. GORE. $500 million or more.

Mr. FREAR. Of course, when we say "more" that can go pretty high. However, it would be in the neighborhood of that figure. Is that correct?

Mr. GORE. Yes. If the Senator from Michigan will yield further——

Mr. McNAMARA. I am glad to yield.

Mr. GORE. I should like to say that the committee has enjoyed—and I have been heartened by the extent of it—the rather general cooperation of the insurance industry itself. Of course, many representatives have asked for amendments which would ease the burden with respect to their own companies. I do not criticize them for doing it.

I believe the Senator will agree that as we have approached this difficult and vexatious task, we have had the general and, to me, surprisingly general cooperation of the industry itself.

Mr. FREAR. There is no reason, I suppose, for the able Senator to believe that all the industries would offer the kind of cooperation which the insurance companies have offered with regard to closing the loopholes which the Senator has mentioned.

Mr. GORE. I have not seen very much manifestation of it.

Mr. FREAR. I thank the Senator from Tennessee and also the Senator from Michigan for permitting us to engage in this discussion, which I believe has been quite interesting.

Mr. McNAMARA. I agree it has been interesting. I am glad to have the contribution of the Senator from Delaware. I hope now that he is convinced and will vote for our substitute. The answer may lie in a combination of the two approaches.

But, in any case, all of us believe that we must balance the budget through other means than deserting the unemployed of this country in this time of great and urgent need.

We feel it is strange, to say the least, that the position of many persons in responsible positions appears to be that this great and rich country can afford to be humane, or even generous, until an arbitrary date on the calendar, June 30, 1959. It is strange that after that date we must cease to have humanitarian impulses, must harden our hearts, must steel ourselves against the temptation to be compassionate, and must concern ourselves, beginning promptly at 12:01 a.m. on July 1, with reduction of Federal expenditures as the overriding objective of our national existence.

The next argument is that this amendment of ours is a dole. I have not heard that argument in this body, but it was made in the testimony of the Administration on H.R. 5640.

It is not a dole. It provides assistance only to those whose past work record entitles them to better social insurance than is now provided by existing unemployment compensation laws.

The farm supports we provide for keeping crops out of production, through the soil bank, is not a dole. The tax break we give to oil producers through the depletion allowance is certainly not regarded as a dole by those who fight for its maintenance each year.

We who represent States which are most affected by unemployment have, for the most part, given vigorous support to measures which have materially advanced the welfare of people in other parts of the Nation.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the distinguished Senator from Indiana.

Mr. HARTKE. I compliment the senior Senator from Michigan for the forthright stand he is taking in behalf of the unfortunate people who cannot have anyone represent them when it comes to payroll lobbying in Congress. Certainly the Senator's type of representation is the highest type of unselfish service. I am glad to be a cosponsor of the pending amendment.

I noticed yesterday that the President was given credit for scoring a tremendous victory in the House of Representatives in connection with the problem which the Senator has just mentioned, namely, the advancement of the welfare of the people of all parts of the Nation. I hear many people on both sides of the political fence talk about States rights, and that the unemployment problem should be handled by the States.

I ask the Senator from Michigan how, in good common sense, how, in good conscience, the President can ask Congress to support a program to help other nations, when he must know how important it is to help unfortunate people at home.

I have been before those people. A 29-year-old father of two children has walked up to me and said, "I need a job. You get me a job." I did not know where to get him a job. He said, "When I was a child, I stole. I have tried to live a good life since that time. But I have a wife and two children. I am 3 months behind in my house payments and 2 months behind on my car payments. My unemployment compensation has expired. Either you get me a job or I will steal again."

I do not know how the President can expect Congress to vote for foreign aid funds if we refuse to help our people at home, and, frankly, I shall refuse to do so. This is not a matter of selfishness; it is purely a matter of survival.

I listened to the President's message, in which he spoke about fiscal responsibility. Five million unemployed does not indicate fiscal responsibility. It represents 5 million persons who cannot pay taxes to help balance the budget.

I am confident that the Senator from Michigan, like myself, when we heard the President's message, was hopeful, as I was, that we were entering a period of high prosperity and a reduction of unemployment.

The fact is that in Indiana thousands of persons are still out of work. I was visiting in my State last weekend. Everyone at home is yelling for help—not only the unemployed, but the owners of small grocery stores and drug stores also want help.

I do not say this is exclusively the responsibility of the Federal Government, but I say that Congress will have to find ways to provide relief. Something must be done to help the people who are unable to take care of themselves.

Unemployment compensation is not the ultimate answer. I should like to see the show get back on the road. I should like to see people live as they once lived. I should like to see people go back to work, and not be allowed to starve.

If 5 million people continue to be unemployed, if there should be another recession—and there is no guarantee that the economy is not headed that way—and if a popular demagogue should arise, there would be great danger.

What is here proposed may be the greatest investment which the United States can make for the benefit of its own people. I am very happy that the Senator from Michigan is continuing his great fight.

Mr. McNAMARA. I thank the Senator from Indiana. I am somewhat alarmed by what he has said. He stated that if he had to make a decision as to whether to provide funds to help our own people in this emergency or to provide funds for the foreign aid program, the mutual security program, he would oppose the expenditure of funds for mutual aid because of the unemployment situation at home. He alarms me when he makes that statement.

Mr. HARTKE. I favor helping people overseas, but whenever the President asks Congress to decide as between the people at home and the people overseas, I, in good conscience, cannot desert the people at home. That is all I am saying.

Mr. McNAMARA. My concern or alarm is that perhaps we are not evaluating the matter properly. Certainly we had better be concerned with the unemployed people at home. But when we consider a matter such as mutual security, I think it must be considered by itself. We must consider what its benefit will be, not with respect to a portion of the people in our own economy, but with respect to the overall good.

I hope the Senator from Indiana will reserve his final decision on how he will vote on mutual security, because I am alarmed by his coming to such a conclusion rapidly under these circumstances.

I like his enthusiasm for the program which is now under consideration. I dislike to see anything which will dampen it. Nevertheless, I hope he will reserve his final judgment on mutual security until he hears from the committee and the Administration.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. NEUBERGER. The statement just made by the Senator from Michigan is, I think, characteristic of his statesmanship and political courage. In my opinion, the easiest thing we could do would be to say that we will oppose foreign aid because some necessary and needed program at home has been sacrificed. That happens all the time. Yet if we carried such a philosophy to its logical conclusion, we could say that we would not vote funds for 50 jet fighter planes because streets had not been paved in front of our homes or because hospitals were needed in certain communities of our States. All of us know that there are compelling, urgent human needs at home which are not being met; and I think that is a tragedy and a disgrace.

But I always have approved of the position taken by the Senator from Michigan, who is advocating and trying to take care of the needs at home. He has never tried to equate the urgent and compelling demands in our own country with what we must do to defend the free world overseas. I repeat: I think that is characteristic of the Senator from Michigan.

I am afraid that probably the most ready thing to do, politically, is to go home and say to our constituents, "If it were not for the foreign aid program, you could have a new school on the corner; you could have a scholarship for every student you want to send to college; you could have a 4-lane highway through every county; you could have a new hospital in every community;" and so forth. That probably is true. But it also might be true that nuclear bombs could be falling on the new schools, hospitals, and highways.

While we do not like to have the resources of the United States spent upon undertakings overseas, we also realize that the United States and the rest of the free world must be defended. So I commend the Senator from Michigan for the statesmanlike attitude he takes in this rather difficult situation.

Mr. McNAMARA. I thank the Senator from Oregon for his generous statement. I do not think I am deserving of the compliment in the words in which he has phrased it. I think what confronts us is one problem. The problem is not divisible to the degree which he has indicated.

We are concerned with the economy of the people of the Nation, and we are concerned with the security and defense of the Nation. What is being sought by the bill under consideration relates to both those programs.

The simple fact is that the United States is wealthy enough to take care of both categories, and we must take care of both. I do not look upon the position I am taking as a display of political courage; I think it is a recognition of conditions as they exist today.

Mr. NEUBERGER. If we do not take care of both categories——

Mr. McNAMARA. God help us.

Mr. NEUBERGER. I could not do better than duplicate the words of the Senator from Michigan.

Mr. McNAMARA. I thank the Senator from Oregon.

Mr. President, we have fought for water reclamation and public power projects for underdeveloped sections of the Nation. By the enactment of these measures, the standard of living has been vastly increased for the people in these regions.

When employment in Michigan was high—when auto production was soaring—our taxes helped build these vital projects in other areas. The same is true of the taxes collected in Pennsylvania, Massachusetts, Minnesota, and other States which now bear the brunt of the industrial recession.

We were delighted to do this. We were proud to do this. What was accomplished in the Tennessee Valley was as much a mark of glory for us as it was for the valley residents. The same is true of the vast projects in our Western States.

These great efforts were not doles. They were living proof that America is an indivisible Union of States. By helping our neighbor we were, in truth, helping ourselves.

I have made no effort in the past to conceal my dismay at the callous attitudes this administration has displayed. I am shocked that their attack on the amendment which we offer is to label it as a dole.

But this Congress, I hope, is not of similar mind. We enjoy our strength because of a tremendous vote of confidence we received last November.

This was not a mandate to ignore the needs of our country. It was in appreciation of past leadership, and a mandate to continue it.

We are here to lead; to offer and enact solutions that have been ignored or belittled by the administration.

This brings me to another argument that will be offered here today. We will be told that the President will not sign such an amendment as we propose.

We will be told that if we send him such a bill, it will be vetoed and those now drawing benefits will be cut off from help.

Let me go to the first point. I cannot conceive of a less relevant point than the threat of a Presidential veto. We have our job to do. It is rare when our opinion is sought as to what Presidential proposals are acceptable.

The opponents of this amendment will make a great "hearts-and-flowers" appeal for those who will be cut off if we do not rush the House version through by April 1. We are concerned for them, too, but we are equally concerned about the 90 percent of the unemployed who will be ignored completely if the House version passes.

I know the Senate has been working hard, and is anxious to get away for the Easter recess beginning Thursday.

But, Mr. President, I, for one, am willing to stay in this Chamber as long as is necessary in order to have the Senate pass a bill which will be really meaningful in this area.

Mr. MORSE. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Michigan yield to the Senator from Oregon?

Mr. McNAMARA. I yield.

Mr. MORSE. As the Senator from Michigan knows, until this moment I have not been able to participate in the debate on this measure, because of the fact that in the Senate Committee on Labor and Public Welfare we have been in almost continuous session in connection with writing up the so-called Kennedy-Ervin labor reform bill. We finished it just a few minutes ago; and, by the overwhelming vote of the Committee, under the leadership of the able Senator from Massachusetts [Mr. KENNEDY], we voted to report that bill to the Senate.

However, I would not want this RECORD to close without saying a word of endorsement of the position taken by the Senator from Michigan in support of his amendment. I wish to commend him for the vision and the leadership he has displayed in connection with this unemployment-insurance-benefit bill. I think each Senator is able to see very clearly the decision he is called upon to make on this issue. The rollcall vote will be very significant. I am sure that the people of the Nation will recognize it as one of the key votes of this session.

I desire to state that I am sick at heart over the action the Senate took the other evening on the depressed-areas bill. I was very disappointed that the Senate would pass that very-much-needed bill by a majority of only 49 to 46. The unanswerable record which was made in support of the needs of the communities of the Nation which are in a depressed situation, and which have on their municipal doorsteps the problem of what to do with the thousands and thousands of unemployed in the many metropolitan, small-town, and rural areas of the country called for a much larger majority vote.

Here, again in respect to the pending amendment we are confronted with the same question, it seems to me, in so far as the basic issue is concerned. The

simple questions which are put to each of us in connection with the two bills are these: Are there depressed areas? Are there unemployed? Does the evidence which has been submitted to the Senate show clearly that present depressed areas will continue for some time in the future to be depressed? Does the record on this bill show that the several million of those who presently are unemployed will continue to be unemployed for some time in the future?

Mr. President, after we dispose of this measure today, I intend to make a major speech on the subject of the economic condition of the Nation at the present time. I shall not paint a happy picture or a bright picture, because the facts will not warrant it.

Despite all the propaganda of this Republican administration, as a Democrat I do not propose to join the administration in misleading the American people in regard to the economic situation which confronts them. As a Democrat, I do not intend to join the administration in doing the injustice which it proposes to continue to visit upon the millions of unemployed in this country, and in repeating its practice of passing the buck to the States.

This problem has become a national one; and in connection with it there is a national responsibility, as is recognized by the Senator from Michigan [Mr. McNAMARA] by way of the amendment he has submitted.

Mr. President, I intend to fulfill what I consider to be my national responsibility in the Senate. So I shall support the amendment of the Senator from Michigan; and I shall continue to criticize the leadership of the Democratic Party if that leadership continues to support the buck-passing policy of the Eisenhower administration in connection with the great humanitarian issues confronting the people of the Nation. In fact, the Democratic leadership of my party on too many issues seems to be the advance political agents of this Republican administration. The metooism of our Democratic leadership on too many Republican unsound proposals is becoming sickening to many Democrats.

Those who now are unemployed are entitled to the benefits the Senator from Michigan proposes to have them receive by means of his amendment.

Mr. President, as a liberal and as one who believes in enlightened capitalism, I also believe that the merchants on the main streets of America are entitled to the support which the Senator from Michigan seeks to give them.

I wish to say that any Democratic Senators who vote against the amendment of the Senator from Michigan will be voting against the small businessmen of the Nation who need the economic stabilizing benefits of unemployment insurance benefits, because there are many depressed areas in which the small businessmen on the main streets of the municipalities cannot write any more figures on their cuffs. They have granted all the credit their cuffs will permit them to grant; and they are entitled to the economic stabilization and the other business benefits which will flow from the amendment of the Senator from Michigan [Mr. McNAMARA]. So I am proud to support it.

Mr. McNAMARA. Mr. President, I thank the Senator from Oregon for so vigorously calling attention to certain matters to which the rest of us have not given sufficient consideration, and also for pointing out what this amendment will do in aiding the entire economy, including the businessmen to whom he has referred. I am certainly very happy to have his comments made a part of the RECORD.

Mr. President, I believe it would be helpful for us to think about what Easter Sunday is going to be like for the 4.7 million unemployed, if we fail to take the necessary action.

Several of the House spokesmen, in the course of their remarks in support of House bill 5640, expressed a fervent hope that the Senate would make its version a realistic and humanitarian answer to the problem of unemployment.

I shall leave to my colleagues on the Finance Committee who share our view, the explanation of why they voted this measure onto the floor in the hope that we would make it a bill with solid content—different from the token gesture which it now is.

I have taken time to state why we must take this action.

I close with one final observation: This Congress will be called upon to make major decisions during the coming 18 months. We shall decide on measures which will affect the preservation of freedom itself. But we cannot lead abroad if we have not demonstrated our capacity to lead at home. If our system of democratic capitalism is to prevail outside our shores, it must certainly prove itself at home.

I am loath to point out to so many of my distinguished colleagues the role that the Federal Government has played in making that system work to date. To many of my colleagues, the evidence is so overwhelming, and has been so often referred to, as to be trite.

This is not the time to ignore the lessons of our recent domestic history. Today we have—instead—the power to make the point more dramatically apparent.

We must make clear that the golden rule is not the rule of gold.

Mr. RANDOLPH. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Michigan yield to the Senator from West Virginia?

Mr. McNAMARA. I am very happy to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, Senate bill 1323, which, in the form of an amendment, is the proposal to which the Senator from Michigan [Mr. McNAMARA] has so ably addressed his remarks, has the cosponsorship of many Members of the Senate; and I believe it important to say that S. 1323 was not hastily considered by those of us cosponsoring it.

Mr. McNAMARA. That is entirely correct.

Mr. RANDOLPH. It was the subject of deliberate study. The compelling remarks which have been made today should at least elicit the most careful thought of the Members of the Senate who perhaps have not given attention to the subject in the way the Senator from Michigan has explained it this afternoon. I commend him; and I join him in supporting the proposed legislation he has so ably advocated. It is a privilege to be associated with him in this effort.

Mr. McNAMARA. I thank the Senator for calling attention to the fact that the proposal was not hastily designed or prepared. Practically all of my staff has been laboring for weeks, and for long hours, I assure my colleagues. The members of my staff worked until late last night, after midnight, to get final figures together, so I could have the most up-to-date available figures from all over the country and make this presentation today.

Mr. GRUENING. Mr. President, will the Senator yield for a brief comment?

Mr. McNAMARA. Yes; I yield to the Senator from Alaska.

Mr. GRUENING. I was much impressed with the sentence in the closing remarks of the very able senior Senator from Michigan when he said:

> We cannot lead abroad if we have not demonstrated our capacity to lead at home.

Does the Senator not think there is a corollary to that statement, namely, that if we have not demonstrated our capacity to take care of our needs at home, we have no right to begin to take care of the needs of others abroad?

Mr. McNAMARA. I think that is true; but I repeat, I am sure this country is well enough, strong enough, wealthy enough, and has the conscience to do both jobs.

Mr. GRUENING. We hope it will at least take care of the folks at home.

Mr. McNAMARA. Amen.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. I wish to join other Senators in congratulating my colleague the Senator from Michigan for his excellent speech on a very carefully prepared amendment, which is certainly deserving of serious consideration on the floor of the Senate.

The Senator from Michigan in his speech has made several statements which reflect his fine qualities of statesmanship and the broad view he has of public affairs. For instance, in one place in his statement he said that what was accomplished in the Tennessee Valley was as much a mark of glory for us as it was for the valley residents, and the same is true of the vast projects in our Western States.

The Senator from Michigan always looks at matters from the viewpoint of how they affect the Nation as a whole, realizing that unless our economic policies and economic conditions are healthy in every area of the country, we cannot have an entirely healthy nation. I commend the Senator from Michigan.

Mr. McNAMARA. I thank my distinguished colleague for his very kind remarks and his contribution to the dis-

cussion of the substitute we are attempting to have adopted in the Senate today as an amendment of the bill which was reported by the committee.

Mr. President, I yield the floor.

PRICES AND WAGES IN THE STEEL INDUSTRY

Mr. KEFAUVER. Mr. President, a most timely and vital event has just taken place at the White House. I should like to read into the RECORD a wire service dispatch telling of this event, and follow it with a few pertinent remarks. The dispatch reads:

President called on labor and management today to settle the steel wage issue on a basis that would not boost the price of steel.

President Eisenhower was asked at his news conference if the Government can do anything to prevent a steel strike.

The President replied it is strictly the policy of his administration to keep outside the business of collective bargaining. Eisenhower added vigorously, however, that here is the place where action will determine if the United States is to continue to go ahead economically and to avoid inflation. Here is the place, he said, for labor and management to show their statesmanship and resolve differences without any advance in the price of the commodity.

Eisenhower said that while his administration does not intend to interfere in the collective bargaining processes it must never be forgotten that the public has to pay if price increases result from these negotiations.

The President said that because the public is affected he is not going to stand silent and, like Pontius Pilate, wash his hands and ignore the matter. Eisenhower repeated emphatically that there should be no settlement that compels steel prices to go up.

Mr. President, I have just heard that the President of the United States at his press conference this morning called upon management and labor in the big steel industry to show their statesmanship and resolve differences in the upcoming wage talks without any advance in the price of steel.

I am delighted to hear that the President has decided to bring to bear on this most serious matter the full weight of his office as Chief Executive of our Nation.

As my colleagues know, only a few weeks ago I called upon David McDonald, president of the Steelworkers Union, and upon Roger Blough, chairman of the board of United States Steel, to make a real effort to stave off an inflationary boost in the price of steel.

My suggestion that the steelworkers limit their wage demands to the increase in productivity was met with silence from Mr. Blough and with an intemperate and unsatisfactory retort from Mr. McDonald.

The Antitrust and Monopoly Subcommittee, of which I am chairman, has been hearing testimony for 2 years now on the subject of administered prices. The big steel industry, it has been determined in these hearings, is a giant which sets the pace for rising prices.

When steel prices go up, the prices of almost everything the consumer uses go up.

What the President of the United States has done today is what I did, in equal seriousness, weeks ago. I hope no one suggests that the President keep his nose out of this important business, because, as I said, then, the price of steel is not just Dave McDonald's business, or Roger Blough's business—it, is the business of the people. I said then that we cannot afford another merry-go-round of price and wage inflation. The President has now said the same thing.

We both have called upon labor and management in this huge bellwether of our industry and economy to show some statesmanship. I think the request is reasonable. I think the responsibility for any more inflation in our economy will fall directly on them if they do not heed these earnest pleas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield, very happily.

Mr. MORSE. Before I ask my questions, I commend the Senator from Tennessee for the fine leadership he has given the Senate in recent years in connection with his Antitrust and Monopoly Subcommittee work. I think he has done well to point out to both management and labor that they have responsibilities to avoid inflation.

I should like to have the Senator understand that my question is not subject at all to the interpretation that I would favor a wage increase in the steel industry at the present time, because I do not know what the facts are. I would be somewhat surprised if the wages of the steelworkers have kept up with the changes in the cost of living. Of course, in a time of economic emergency, when there may be a threat of inflation, labor, too, has the obligation to make sacrifices in the interest of a stable economy. But I should like to put this question to the Senator: Does his subcommittee have any evidence that at any time during the past 6 years any wage increase granted the steelworkers of America justified any increase in the cost of steel?

Mr. KEFAUVER. Our subcommittee has, in its hearings, gone into the price increases and into the wage increases. I would have to have before me the statistics relating to the amount of the wage increase and price increase each year in order to give a specific answer to the question of the Senator from Oregon.

I think what happened in August of last year might be fairly typical. At that time, aside from any increase in the productivity of labor—and the productivity of labor in the steel industry has been increasing substantially—there was a wage increase which, according to management, would have added to the cost of manufactured steel about $2.50 a ton. According to the labor figures, the wage increase would have added about $2.15 or $2.25 a ton. According to Gardiner Means, who is a disinterested and able economist, the added cost to the production of steel last year by the wage increase was about $1.75 a ton.

The price, however, was increased $6 a ton, two or three times what the wage increase justified, according to the figures used by almost everyone.

Mr. MORSE. If the Senator will permit an interruption, that is the point I wanted to bring out.

I think the record will show, and I know the Senator has the evidence before his committee, that for the past 6 years, or, for that matter, even longer, there has not been a single wage increase in the steel industry with respect to which the steel companies have not increased the price of steel considerably more than the added cost to the production of steel caused by the wage increase. In other words, the industry has used the wage increases as an opportunity to impose upon the American consumers steel price increases far beyond the cost of the wages increases. Does the Senator dispute that statement?

Mr. KEFAUVER. No. The Senator is correct.

Our analyses of the various price increases show that the steel companies, following the wage increases, increased prices far above what would have been necessary to compensate for the wage increases.

In fairness I wish to point out that if we consider the average profit the steel companies have been accustomed to make, some of the wage increases would have justified some price increases, but not to the extent the prices were increased.

Mr. MORSE. That is the point.

Mr. KEFAUVER. I also desire to point out that I have always been friendly to the American working men and women. I should like to see every workingman receive a good wage. I have been friendly to the cause of the workers. However, I think from their own point of view at the present time, with many thousands of people unemployed in the steel industry, it would perhaps be much better for the workers themselves to forego a few extra cents in wages an hour and limit their demands to the increased productivity, with a viewpoint of bringing more people back to work and getting the economy rolling, so that their fellow workers can be employed.

Furthermore, if we have the same merry-go-round we have had before, a year from now or 6 months from now the small additional amount the wage earner might receive will be washed out by the decreased value of the dollar, as the Senator from Oregon so well knows.

Mr. MORSE. Will the Senator permit one or two more questions? I think this is a vital subject.

Mr. KEFAUVER. I yield further.

Mr. MORSE. Is it not true that the steel industry today is producing at considerably below capacity?

Mr. KEFAUVER. The steel industry at one time last year went down to about 50 percent of capacity.

One remarkable thing—which proves the point about administered prices—is that ordinarily when production of an industry declines, the industry lowers its price in order to obtain more business and bring production up. However, in the face of the operation at 50 or 55 percent of capacity in the steel industry, prices were maintained and were even increased.

At the present time, the steel industry is operating in the neighborhood of 80 percent of capacity, to some extent because there is a feeling in the country and in the industry that there is going to be a steel strike which will close down the mills. Therefore, many manufacturers are buying steel so as to weather the period ahead.

Mr. MORSE. Is it true that there is a demand for steel in excess of the present productive activity of the industry? In other words, could the steel industry sell much more steel than it is now producing?

Mr. KEFAUVER. The steel industry could sell much more steel if the prices were somewhat lowered. We have been losing our foreign markets in steel. Many of the domestic users of steel are turning to other products as substitutes for steel. If there were not a price increase every year, certainly there would be a sufficient demand for steel to keep the plants going at full capacity.

Mr. MORSE. Is it true that the steel industry as a whole has been making more money by producing less steel and selling it at higher prices than it could make if it produced more steel and sold it at more reasonable prices? It is my understanding that if the industry produced more steel and sold it at more reasonable prices, the industry might make as much money and it would help put thousands of men back to work.

Mr. KEFAUVER. It is undoubtedly true that in the steel industry as well as in the other heavy industries such as the automobile industry, there is a break-even point; that is, an industry must have production up to a certain amount in order to break even. Whatever is produced above that point, in an increasing percentage brings more and more profit. I do not know exactly the break-even point in the steel industry, but it is lower than the break-even point in most industries. The fact that the steel industry has been able to operate at 50 or 55 percent of capacity and still make money indicates that the break-even point is somewhere below that percentage figure. The steel industry could make a great deal more money, could give more people employment, and could contribute more to the economy, if it would sell steel at a lower price. In that way the steel industry could produce more steel and operate more nearly at plant capacity, rather than by keeping the prices high and running at a reduced capacity.

Mr. MORSE. I close my questioning of the Senator from Tennessee by saying that I think he has made a valuable contribution in his studies of the steel industry. I hope he and his committee will continue the investigation of conditions in this industry.

I hope the White House will start paying some attention to the production policies of the steel industry, because what we have been confronted with from the steel industry amounts in fact to a species of "highjacking" of our economy.

The steel industry has been underproducing and overcharging, with the result that there has been a very bad effect on the economy as a whole. Whenever we find any major industry—whether it be the steel industry, the oil industry, or any other major industry—having such a tremendous influence on the economy as a whole, it is the duty of Government to step in and to impose those minimum checks necessary to stop that kind of exploitation.

I think action by the President of the United States is long overdue in regard to the steel industry and in regard to making recommendations to the Congress as to what legislation should be enacted in order to prevent the steel industry from following a price, production, and employment program that is disruptive of our economy. In my judgment we have let the steel industry run wild in regard to a price structure that has given it exorbitant profits. It is about time for us to say to the steel industry, "Under a system of enlightened capitalism you have no right to follow principles of cartelism." The policy of underproducing and overcharging is typical of the cartel system. Furthermore let us keep in mind that the steel industry is in fact a highly subsidized industry, I say that because so much of its huge profits come out of the Nation's defense program. Here is an industry that should be regulated by Government in the national interest.

Mr. KEFAUVER. I thank my distinguished colleague from Oregon very much for his contribution to the discussion.

I think his points are indisputably well taken: First, the price of steel is of the greatest possible importance in our economy, in the determination of the question whether we are to have inflation or not.

Second, that at the present time the price of steel is fixed by the conscience of management. It is an administered price. Whether the industry is operating at 80 percent or 50 percent of capacity, the price is fixed, and all steel companies follow the administered price. The present inflation is being led by the cost of steel.

Third, for a long time—since last May, and even before that—many of us have been urging the President to bring together the leaders of the steel industry and the leaders of the United Steel Workers, and appeal to their patriotism, asking each side to make some concessions in order to try to hold down the price increase of last year.

The President stated that he hoped it would be held down, but the great influence of his Office was not brought to bear. I am happy to say, however, that the statement from the White House today shows that the President is more deeply concerned about the subject. I hope this means that he will really place the force and strength of the Office of the Presidency behind the effort to hold down prices, and ask for a reasonableness on both sides, in order that we may stop inflation, and avoid another round of inflation, which will come just as surely as the price of steel is raised, at the end of June or later.

Our hearings on administered prices have shown that steel prices are directly responsible for inflation in our economy. More and more this fact has come to be accepted by a large number of economists, and now the President of the United States has joined this urgent cause. Now is the time for real statesmanship in the industry, if we are to control the destructive inflation which eats up everyone's dollars, including the dollars earned by the steelworkers themselves.

DEATH OF SAMUEL WILDER KING, FORMER DELEGATE IN CONGRESS FROM HAWAII

Mr. GRUENING. Mr. President, it is with great regret and profound sorrow that I have to report the death in Honolulu of Samuel Wilder King, former Delegate from Hawaii in Congress and former Governor of Hawaii.

Samuel Wilder King was a great statesman and a wonderful human being. I got to know him first when I came to Washington in 1934 as the first Director of the newly created Federal agency, the Division of Territories and Island Possessions of the Department of the Interior.

Sam King was shortly thereafter Hawaii's Delegate. I worked closely with him and found him—as all who knew him were bound to find him—able, lovable, public spirited, a charming gentleman, and a devoted public servant. He was already at that time, 25 years ago, profoundly concerned about statehood for Hawaii. Hawaii did not have many problems of concern to the Congress, as did Alaska. Hawaii was an almost self-sufficient, well-governed Territory, economically a going concern. I believe the principal battle in Congress we had in those years was in relation to adequate sugar quotas and perhaps to work to repeal the one discrimination from which Hawaii suffered; namely, its inability to refine all the sugar it produced. There were some other problems in relation to homesteading. Statehood for Hawaii—first-class citizenship for Hawaii's people—was Sam King's great concern.

Sam King was of part Hawaiian origin. In his veins flowed both the blood of his Anglo-Saxon ancestry and his Polynesian forebears: the strain of that great race of navigators who, long befor the coming of the white man, spanned the wide reaches of the Pacific in great canoes, and were appropriately called "Vikings of the Dawn." Sam King spoke the melodious Hawaiian tongue fluently. He had a deep feeling, not merely for his fellow descendants of Polynesian ancestry who constituted the entire population of Hawaii up to the time of the discovery of those islands by Captain Cook and the subsequent coming of the New England missionaries and others, and who have given the Hawaiian Islands their beautiful customs and folkways, their music and dances, their generous use of flowers as shown by that unique Hawaiian bouquet—the flowering lei, which is the symbol of Hawaii's aloha—but he was also keenly sympathetic with the problems of all the diverse racial groups which together constitute the amalgam of races in Hawaii, who, thoroughly

American in their principles, spirit and actions, constitute the finest example of ethnic democracy under the American flag.

Sam King was a graduate of the Naval Academy, I believe in the class of 1913. He had retired from the Navy with the rank of lieutenant commander because he felt that his then slender salary was inadequate to support his splendid family of wife and five children. Immediately after Pearl Harbor, he rejoined the Navy, was promoted to the rank of commander and then to captain, and served with distinction in the Pacific theater of operations. While he was actively aiding in the defense of our Nation he was very understanding of the plight in which the Americans of Japanese descent—the Nisei in Hawaii—found themselves. Wholly aware of their unquestioned patriotism and 100 percent loyalty, and the difficult situation in which they found themselves because of the totally unfounded and unjust suspicion that their loyalty to the American flag might not be absolute, he missed no opportunity to defend them and in the heat of war-aroused passions, was occasionally severely criticized for this proper and gallant attitude so characteristic of him. The outstanding patriotism of those Americans of Japanese descent has been proved in blood beyond peradventure since that time in World War II and in Korea.

Those of us who knew Sam King, were rejoiced when the Eisenhower administration appointed him Governor of Hawaii. He was the first Governor who, through his part Anglo-Saxon and part Polynesian ancestry, was a true representative of the diverse strains which make up the population of Hawaii. He and his wife, Pauline, brought all the grace and charm and warmth of hospitality, which is characteristic of Hawaiians, to Iolani Palace, the seat of the government of Hawaii, and to their official residence in Washington Place. Those who knew him deeply deplored the failure of the Eisenhower administration to reappoint him to the governorship. We greatly mourn his untimely passing. The only consoling aspect of this tragic loss is that Sam King lived to see statehood come to Hawaii—the statehood for which he worked so earnestly and devotedly beginning a quarter of a century ago, and for which he laid the foundation on which his worthy successors as Delegates to Congress—the late Joseph Rider Farrington, his widow, Betty Farrington, and John A. Burns—were able to build until victory was achieved.

The deepest sympathy of all those who knew Sam King and his family will go out to Pauline, his lovely wife, and their five wonderful children. There will be few flowers left growing in Hawaii today; the love of the people of Hawaii will bring them to his bier.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. KEFAUVER. I was shocked to learn this morning of the passing of Samuel Wilder King. I join my colleague from Alaska in paying tribute to his life, his character, and his devotion to public duty.

When I first became a Member of the House of Representatives in 1939, Mr. King was the Delegate from Hawaii. He was very active, and always thoughtful. As has been stated, he worked hard for Hawaiian statehood. He made a great contribution to the thinking of many Members of the House of Representatives on political and economic subjects.

I had the privilege to visit Hawaii when he was there. It was gratifying to find the high esteem in which he was held by his fellow citizens of Hawaii.

Mr. President, it speaks well for the type of representation Hawaii will have in the House of Representatives and in the Senate, now that she has become a State, to look back and think of the outstanding Delegates who have served Hawaii in the House of Representatives. Samuel King was the first one I knew. As I remember, he was succeeded by Joe Farrington, a Republican. Following Joe Farrington's death, his widow succeeded him for a time. Then more recently JOHN A. BURNS has been making an outstanding record in representing the people of Hawaii.

With persons of this kind chosen to represent Hawaii, we can be sure that the people of Hawaii will have a high caliber of representation in the Senate and in the House.

It is my pleasure to know Mrs. King and the other members of the family. I join my colleague in expressing our deep sorrow and sympathy to them.

Mr. CARLSON. Mr. President, I regret very deeply to learn of the death of Sam King. I appreciate very much the splendid statement the Senator from Alaska has made with regard to his service. It was my pleasure to serve with Sam King for many years in the House of Representatives when he was the Delegate from Hawaii. I have known no man who has been a more devoted, able, and consecrated servant of the people than Sam King. He served the people of Hawaii very well indeed. He was a gentleman at all times. He never passed up an opportunity, as the Senator from Alaska has said, to discuss the importance of the Hawaiian Islands and of their need for statehood. That was one of the problems on which he worked constantly. It was my great privilege to be associated with Sam King. I learned to know also Mrs. King and the family, and I, too, extend my sincere sympathy to them.

Mr. KEATING. Mr. President, it was a shock to me to hear of the death of Sam King. I join in all the warm and kind sentiments which have been expressed by the distinguished Senator from Alaska. Sam King had left the House of Representatives when I became a Member. Joe Farrington was the Delegate at the time. However, the work and devoted effort and courage which Sam King had shown in his representation of the people of Hawaii were often the subject of discussion in the cloakroom. His great moral courage during World War II was particularly the subject of comment. He represented the very best of what we have learned to be the outstanding characteristics of the Hawaiian people. His bloodstream was typical of the finest of those Islands.

I join in expressing regret at his passing, and in extending deepest sympathy to his wife and family.

Mr. BRIDGES. Mr. President, I wish to join the distinguished Senator from Alaska [Mr. GRUENING] in paying my tribute to Sam Wilder King, formerly the Delegate to Congress from the Territory of Hawaii, and formerly the Governor of Hawaii. I knew him well, and I valued his friendship. I recognized him as a great public servant, a fine friend, and one whose public service to the Territory he represented and to this country will long be remembered.

Mr. SCOTT. Mr. President, I am one who served in the other body with the late Delegate Samuel Wilder King. I knew him when he was Governor of the Territory of Hawaii. I join with all of his friends who are deeply grieved at his passing. He was an able statesman, a fine executive, and a beloved citizen.

Mr. MURRAY. Mr. President, I wish to join my colleagues in expressing my personal sorrow, and sense of personal loss, at the death of former Governor Samuel Wilder King, of Hawaii. Through long years he and I were closely associated in the fight for statehood for Hawaii. My sorrow at his passing is tempered with satisfaction, at least, over the fact that he lived to see his dream of full equality in our Union of States for his people become reality.

In our long, common effort for enactment of statehood legislation I learned to admire him and to respect him greatly as a man as well as a devoted, dedicated public servant.

I well recall that when last I visited the then Territory of Hawaii, as chairman of the Committee on Interior and Insular Affairs, Governor King was in office, and it was he who came aboard the boat that brought me into beautiful Honolulu. He greeted me on behalf of the people of Hawaii, then immediately on the way to the hotel we plunged into work on Federal legislation for the Territory.

He was a tireless, resourceful worker and battler; the soon-to-be State of Hawaii and the Nation both are the poorer for his passing.

Mr. President, I was the ranking minority member of the Interior and Insular Affairs Committee in the 83d Congress when the nomination by President Eisenhower of Samuel Wilder King to be Governor of Hawaii was reported favorably to the Senate, which confirmed him without a dissenting vote.

I ask unanimous consent that an extract from those hearings appear in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH R. FARRINGTON, DELEGATE IN CONGRESS FROM THE TERRITORY OF HAWAII

Delegate FARRINGTON. Mr. Chairman, I am Joseph R. Farrington, the Delegate to Congress from Hawaii, and I am appearing to recommend prompt action on the confirmation of Mr. King, who has been nominated

to be Governor of the Territory of Hawaii. I think that is especially important, as you have pointed out, because the Legislature of the Territory was convened yesterday for its regular biennial session, and they are anxious to have the new Governor qualified for very obvious reasons.

I do not believe it is necessary for me to make an extended statement about Mr. King, because I think he is personally acquainted with every member of this committee, with the possible exception of one. It is my opinion that he would be the choice of the overwhelming majority for the people of Hawaii. The great popularity of that choice was attested to on Tuesday night, when he returned home to Hawaii, following the announcement Monday of his appointment. He was welcomed by an enormous throng, and with the greatest of enthusiasm. The people of Hawaii believe that Samuel Wilder King is better equipped than any other man in the Territory to meet the unique responsibilities of that office at the present time.

He was born in Hawaii. He graduated from the U.S. Naval Academy after receiving an appointment from the Delegate to Hawaii. After his resignation from the Navy, he was elected to the Board of Supervisors of the City and County of Honolulu, and then in 1934 he was elected as Delegate to Congress, where he served with distinction for a period of 8 years. He served in the Navy during the period of World War II, and since its conclusion he has been a resident of Hawaii, and called upon repeatedly to deal with serious problems confronting the Territory. He is equipped in every respect for the office, and I trust his confirmation will be very prompt.

The CHAIRMAN [Senator Hugh Butler of Nebraska]. His latest assignment, I understand, Mr. Delegate, was as chairman of the constitutional convention.

Delegate FARRINGTON. Yes; he served as chairman of the constitutional convention in 1950, that drafted the constitution of what we hope will soon be the State of Hawaii.

He is also chairman of the Hawaii Statehood Commission at the present time.

The CHAIRMAN. I will say for the record that before taking this matter up and laying aside temporarily the submerged lands case, I conferred with the members of the minority as well as the majority of the committee, and it was by unanimous consent that this action was taken at this time.

Now, are there any questions that anyone wants to ask Mr. Farrington?

Senator BARRETT. I agree wholeheartedly with everything that my good friend, Joe Farrington, said about Mr. King, and I have no questions to ask, Mr. Chairman.

Senator KUCHEL. I have no questions.

The CHAIRMAN. Mr. Cordon?

Senator CORDON. Mr. Chairman, I have known Mr. King for a number of years, and I have been closely associated with him in connection with investigations into Hawaiian statehood matters, I have conferred with him many, many times here, and I know that in Hawaii he is probably better loved than any individual in the islands. I am sure that his appointment will meet with almost universal agreement in all of the islands. He is a competent man in his own right, and he has a background of experience, and I am sure that it is an ideal selection for the high position of Governor of the Hawaiian Territory.

The CHAIRMAN. Senator ANDERSON.

Senator ANDERSON. It was my pleasure to serve in the Congress in the House of Representatives with Sam Wilder King in the 77th Congress. The space in the House Office Building was a little crowded, and they had to make some new offices up on the fifth floor, with four different Representatives moving there. My office was next to the office of Sam Wilder King. I think that I got to know him about as well as almost anyone in the House of Representatives. If there could be a finer selection for Governor of Hawaii than Sam Wilder King, I do not know who he is. I think he is thoroughly representative of all of the people. I say that in order to make sure that we cover the political parties out there, and I say it for this reason, that he served in the Congress at a time when the Democrats were in control of the House, and they naturally had a responsibility for listing the Delegate along on the Democratic side, because it is traditional to list Delegates with the majority party. He served in the Congress and left the Congress without my finding out that he was a Republican. I am happy to say that every contact that I had with him was as fine as the experience could be with an individual. I think he is an extremely qualified person, and he has a lovely family; they are fine folks and they are good citizens, I am sure. I would be very happy to vote for him.

The CHAIRMAN. That is a splendid statement from Senator ANDERSON.

I will request, Mr. Farrington, that you file the biographical sketch with the reporter.

(The document referred to is as follows:)

"BIOGRAPHICAL DATA ON SAMUEL WILDER KING

"Samuel Wilder King, a candidate for the Presidential appointment to the governorship of Hawaii, has long and with distinction served his country, his native community, and his party.

"As a naval officer he saw service through two world wars. As a public official he was elected and reelected to four successive terms as Delegate to Congress from Hawaii. As a veteran Republican Party member and official, he served his party in capacities ranging from precinct club worker to central committee chairman.

"Samuel Wilder King is a native son of Hawaii. He was born in Honolulu on December 17, 1886. He attended St. Louis School, the old Fort Street School, and Honolulu High School, now McKinley High School.

"He was appointed to the U.S. Naval Academy by Delegate Jonah Kuhio Kalanianaole in June 1905. He graduated in 1910.

"He married Pauline Evans, of Honolulu, on March 18, 1912. Two daughters and three sons were born of this marriage.

"Family data

"His father was Capt. James A. King, who came to Hawaii in the 1860's to become a pioneer in the interisland shipping industry. Later, from 1893 to 1898, James A. King served as Minister of the Interior in the then Republic of Hawaii.

"His mother was Charlotte Holmes Davis King, the descendant of a distinguished part-Hawaiian family founded by her great grandfather, Oliver Holmes, who came from Plymouth, Mass., and settled on Oahu in 1793. Oliver Holmes married Mahi, the daughter of a high chief of the island of Oahu, and, for a brief period, under Kamehameha I, served as governor of that island.

"Naval record

"Upon his graduation from Annapolis, Samuel Wilder King served for 2 years with the Pacific Fleet as a junior watch officer aboard the old U.S.S. *South Dakota*. The next 4½ years, from 1912 to 1916, were spent with the Asiatic Fleet as watch officer on U.S.S. *Cincinnati;* executive officer of U.S.S. *Villalobos;* and commanding officer, while still an ensign, of the U.S.S. *Samar*. The latter two vessels were gunboats on the Yangste River patrol, where he served for 30 months.

"World War I found him a department head on U.S.S. *St. Louis,* on escort duty in the North Atlantic, convoying troops and cargoes to France and England. After service on the staff of Adm. Hilary P. Jones, war's end saw him in command of an armed yacht, U.S.S. *Harvard,* in European waters and, later, in command of the U.S.S. *Aphrodite,* in English and German waters during the armistice negotiations.

"A brief tour of shore duty followed and he returned to the 14th Naval District, Pearl Harbor, as district intelligence and morale officer. When the Navy participated in the South Seas exploring expedition of 1923–24 to all the islands northwest of Hawaii from Nihoa to Midway, to Wake Island and the islands southwest from Palmyra to Jarvis, Samuel Wilder King was in command.

"On December 31, 1924, he resigned his Regular Navy commission, remaining in the Naval Reserve until 1928, with the rank of lieutenant commander, and engaged in the real-estate business in Honolulu.

"The interval to World War II was devoted to public and civil service.

"In 1942 Mr. King had already been nominated to his fifth term as Republican Delegate to Congress. He withdrew from the campaign after the primary election voluntarily, returning to active Navy service at the age of 56 with the rank of lieutenant commander. He requested and was granted a tour of duty in the Pacific combat area.

"World War II record

"As Lieutenant Commander King he served on the staff of the commanding general, Samoan Defense Area, when that sector was still in the front line. He helped occupy and prepare advance bases beyond Funafuti in preparation for the Gilbert Islands occupation. He served briefly at Majuro Island in the Marshalls and then participated in the attack on Eniwetok Atoll where he remained for a period as port director. Later he was in command of the port director's unit in the attack on Saipan, and remained there to become commander, naval base, under Major General Jarman as island commander.

"For his services at Saipan, Mr. King was awarded the Legion of Merit and promoted from commander to captain, United States Naval Reserve. He stood by to assume command of all five ports of debarkation as overall port director in the projected invasion of Kyushu Island. He remained on active duty voluntarily to serve as port director at Wakanoura, Japan, the port of debarkation of the Sixth Army, which served as the occupation force for Osaka, Kobe, Kyoto, and Nagoya.

"He returned to his home in Honolulu in December 1945, and was retired with the rank of captain as of February 1946.

"Civic record

"As a civilian between two World Wars, Samuel Wilder King found time to devote to many civic interests. One of these stemmed from the conviction that if the political party system were to persevere and prosper it must be nourished at its roots, the precinct club. Sam King for 30 years has been a member and active worker in his, the first precinct, fifth election district.

"With his military record, it was natural that the welfare and affairs of veterans should compel his time and personal interest. His membership in the Veterans of Foreign Wars dates back 30 years. He is a past department commander, VFW.

"As a member of the American Legion, he is a charter member of Honolulu Post No. 1, and a past department vice commander.

"He is a member of the Honolulu Realty Board and has served that body as president.

"He is a member and past president of the Hawaiian Civic Club; member, Alii Chapter, Hui Kamehameha, a Hawaiian fraternal organization; and member and past president, Hawaiian Historical Society.

"Public record

"Samuel Wilder King's record of service in varied appointive and elective positions continues as an impressive and notable one.

"He was a member and executive secretary of the Territorial entertainment committee to receive and entertain the U.S. Fleet on its first visit to Hawaii in 1925.

"He was named to the Territorial tax commission that reorganized the tax system and established the taxation maps bureau to simplify identification of real property.

"In April 1932 he was appointed to fill a vacancy on the Board of Supervisors of the City and County of Honolulu.

"He ran for election as supervisor at the 1932 election and was 1 of 2 Republican members to survive the Democratic 'landslide' of that year.

"Gov. Lawrence M. Judd named him as one of the three home-rule commissioners who proceeded to Washington to oppose the passage of the Rankin bill, which would have removed residential requirements for appointment of the Territorial governor, secretary, and justices and judges of the Territorial courts, thus paving the way for 'carpetbag' appointments. The commission was successful in its mission; it convinced the administration that the legislation was both unnecessary and repugnant to the principle of home rule and it was withdrawn from consideration.

"In 1934 Sam King ran for Delegate to Congress against the Democratic incumbent and won the election.

"He was reelected in 1936, 1938, and 1940. In 1942, in the primary election for Delegate, Mr. King received 3½ votes to 1 for his Democratic opponent. It was at this point that he made his decision to give up his congressional seat to return to active duty with the Navy. Upon his return to civil life in 1946, as a member of the Governor's emergency housing committee, he aided in the development of a program that greatly relieved the acute housing shortage.

"Long a leader, in Congress and in private life, in the Hawaii statehood movement, Mr. King has served as a member of the Hawaii Statehood Commission since its creation in 1947, and as its chairman since 1949.

"For 1 year he served as chairman of the Hawaiian Homes Commission, a Territorial agency for the settlement of Hawaiians on public lands. During his tenure there was worked out a major program for the development of a pastoral project on the island of Hawaii.

"Political record

"Sam King has been an active Republican Party worker for three decades. For one of these he functioned at the precinct-club level, an ideal training site for one who was to devote so much of his life to party organization and elective public service. He rose steadily in the party councils as shown by the successive party posts he held.

"In 1934, before becoming a candidate for Delegate to Congress, he had served as chairman of the Republican Territorial central committee. He had served as chairman of the Republican preconvention platform committee and of the convention resolutions and platform committee on several occasions.

"He was chairman of the 1948 Republican Territorial central convention and keynote speaker of the 1950 convention.

"He was a delegate to the Republican National Convention of 1936, 1940, 1948, and 1952; serving as chairman of the delegations from Hawaii in 1940 and 1952.

"The constitutional convention, authorized by the Territorial legislature to frame a State constitution for Hawaii with 63 elected delegates, gave Mr. King an opportunity for further distinguished service to his homeland.

"He was the only constitutional convention delegate running at large on Oahu elected outright at the primary. When the assembly convened for its historic purpose, Mr. King became the unanimous choice of the delegates for president of the constitutional convention.

"It is worthy of note that the majority report of the U.S. Senate Committee on Interior and Insular Affairs, in discussing the State constitution, said:

" 'The committee feels that this constitution speaks for itself * * * as an example of the political maturity of the people of Hawaii.' "

Senator LONG. I move Mr. King be confirmed.

Senator KUCHEL. Seconded.

The CHAIRMAN. The motion is made and seconded that the nomination be reported favorably to the Senate.

I will say for the benefit of those present that Mr. SMATHERS is on his way here. I have the proxies for some others who are not present. However, I believe when all members are heard from the report will be unanimous.

(NOTE.—Senators Eugene D. Millikin, George W. Malone, Arthur V. Watkins, Henry C. Dworshak, James E. Murray, and George A. Smathers subsequently advised the chairman they desired the RECORD to show that they joined in making the vote of the committee unanimous in favor of the nomination of Mr. Samuel Wilder King, of Hawaii, to be Governor of the Territory of Hawaii.)

Mr. BARTLETT. Mr. President, I should like to be counted among those who on the floor of the Senate this day have paid tribute to Samuel Wilder King. The news of his death came as a shock, and I, for one, received it with a feeling of personal loss. I had known him for almost 20 years.

Sam King was a great son of a great island people. His dedication to his beloved Hawaiian Islands was complete, and he served them well in his many years in public office. Sam King was both a Delegate in Congress and the Governor of the Territory of Hawaii, and he sought always to change the political status of the islands from territorialism to statehood.

He served the people of the Nation well, too, during his distinguished career in the U.S. Navy.

My deep personal sympathy goes to his family. We all will miss Sam King.

THE LABOR REFORM BILL

Mr. GOLDWATER. Mr. President, today the Committee on Labor and Public Welfare finished its work of more than a month on the so-called labor reform bill and voted to report the bill to the Senate.

I express my appreciation to the chairman of the subcommittee for his patience and indulgence in listening to the discussion on the large number of amendments which were offered. I am sorry he did not see fit to consider a number of amendments which I feel would have made the bill a better labor reform bill. But we will have a chance to offer and debate them on the floor of the Senate.

The press of the Nation is becoming aware of the inadequacies of the Kennedy-Ervin bill. To demonstrate this fact, I ask unanimous consent to have printed at this point in the RECORD editorial comments from the press throughout the Nation.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 3, 1959]

RETAILERS SCORE NEW LABOR BILL—GROUP SAYS KENNEDY CONTROL PLAN IS WORSE THAN NO LEGISLATION AT ALL

WASHINGTON, February 2.—The American Retail Federation attacked the Kennedy labor control bill today, implying it would be worse than no legislation at all.

Harry L. Browne, Kansas City, Mo., an attorney speaking for the federation, assailed the antiracketeering sections of the measure as well as the changes Senator JOHN F. KENNEDY, Democrat, of Massachusetts, seeks to make in the Taft-Hartley law.

"The greatest danger we now face is that a bill will become law which only scratches the surface of a deep-rooted problem," Mr. Browne said.

"Passage of such a bill will lull the public into complacency and, at the same time, act as a license for some unscrupulous labor leaders to increase use of the very weapons they used to gain their position of dictatorial powers—namely, organizational picketing and secondary boycotts."

EIGHT HUNDRED THOUSAND IN GROUP

Mr. Browne said that his organization consists of 31 national retail associations and 38 statewide retail associations having a membership of 800,000 retailers.

The Associated General Contractors of America also criticized the Taft-Hartley features of Senator KENNEDY'S bill—but supported the general principles of the measure designed to deal with labor corruption.

Frank J. Rooney, of Miami, Fla., appearing for the contractors group, also attacked one provision in the rival labor bill offered by the Eisenhower administration.

The witnesses appeared before the Labor Subcommittee, headed by Senator KENNEDY, opening its final week of public hearings on the legislation.

Mr. Browne said that provisions of the Kennedy measure for union financial reporting in some cases weakened the Taft-Hartley law. The election-democracy code for unions in the measure is inadequate, he said.

CALLS STORES VULNERABLE

Mr. Browne said that retail stores were peculiarly vulnerable to organizational picketing and secondary boycotts. The Kennedy bill, he said, does not touch secondary boycotts at all and its provisions aimed at blackmail picketing are limited to situations which have almost never arisen.

Mr. Rooney assailed a section of the administration bill providing that secondary boycotts in the construction industry would no longer be considered unfair labor practice in certain circumstances. He noted that the Kennedy bill did not contain this.

"Secondary boycotts are indefensible wherever found," Mr. Rooney said.

A secondary boycott occurs when pressure is put on a third party in a labor dispute.

[From the Wall Street Journal, Mar. 11, 1959]

PICKETS AND BOYCOTTS—UNIONS WIELD THEM AS BLACKJACK TO BELABOR BUSINESS

(By Robert D. Novak)

WASHINGTON.—The sumptuous Waldorf-Astoria Hotel in midtown Manhattan came perilously near to closing its doors in 1956. The hotel had no labor trouble of its own, but a dispute in the separately-owned hotel barber shop almost brought the $25 million-a-year business to a standstill.

That same year, trucker Tom Coffey in tiny Alma, Nebr., was forced to go out of business. Mr. Coffey, who had plenty of labor trouble of his own, had refused to sign a contract with the Teamsters Union.

The big hotel and the Nebraska small businessman had felt the cutting edge of two union weapons that the Eisenhower administration wants to dull: Organizational picketing and secondary boycotts. It is this attempt that is producing the most heated words in the current congressional debate over labor reform. President Eisenhower argues that no labor bill can fight racketeering effectively without curbs on "blackmail" picketing and boycotts, but labor bitterly opposes the President's proposals as restricting legitimate as well as illegitimate union practices.

EMPLOYEE INTEREST

The union-favored labor reform bill of Democratic Senator KENNEDY, of Massachusetts would prohibit picketing aimed at extorting money from an employer. The administration bill would go much further; it would ban picketing when a union could not show that employees had a sufficient interest in joining a union.

The two programs are more sharply contrasted when it comes to secondary boycotts. Mr. KENNEDY would make no change in the present law aimed at stopping unions from forcing a neutral employer to cease business dealings with a strike-bound employer. The Taft-Hartley Act prohibits a strike against a neutral employer or a union inducing its members to strike the neutral, but many a loophole has been found. The Eisenhower bill would try to close two of the biggest by prohibiting unions from applying pressure directly on a neutral employer as well as through his workers and by extending the ban to the actions of one employee as well as several acting together.

Predictions are risky in the shadowland of labor law. But the administration's proposals, had they been on the statute books, might well have aided the Waldorf-Astoria and Mr. Coffey in addition to hundreds of other businessmen across the country.

The hotel's woes began when the then AFL Barbers Union failed to woo employees of the barber shop, owned by Terminal Barber Shops, Inc., away from their independent union. The AFL unit promptly threw a picket line around the hotel. This didn't have much impact in the way of reducing haircut business, but it served as boycott activity aimed at pressuring the hotel into severing its relationship with the barber shop. Because of Barber Union pickets at the hotel's service entrance, Teamster members refused to drive trucks in with food and drink or drive trucks out with garbage. Waldorf-Astoria officials soon left no doubt that they would prefer to close the barber shop than see the hotel shut down. The barber shop employees, facing the loss of their livelihood, disbanded their independent union and joined the AFL unit.

In contrast to the hotel's experience, Mr. Coffey was the target rather than the instrument of union tactics. The Teamsters had demanded recognition even though they had union cards for only 7 of his 22 drivers and refused to agree to a recognition election conducted by the National Labor Relations Board. When he declined recognition, the union picketed the company. Then, truckers with Teamster contracts refused to exchange freight with Coffey Transfer Co. Business dwindled for about a year until Mr. Coffey sold out for a third of the price he had been offered 3 years before.

Picketing has been used often for objectives other than winning a labor contract. The Teamsters and the now-famous Labor Relations Associates of Nathan Shefferman, a potent team elsewhere in the Nation, used it in dealing with many a small businessman in Flint, Mich.

This was the basic pattern of the Flint operation: A Teamster official suddenly would demand that a businessman recognize the union as bargaining agent for his workers. A picket line would be established, and then a Shefferman aide named George Kamenow would step from the wings. Offering his service as a labor relations consultant, Mr. Kamenow would request a hefty fee and the Teamsters would fade away. Records of the special Senate Investigating Committee show Mr. Kamenow lavished the money on Teamster officials for everything from Christmas gifts to a gala trip to the Rose Bowl.

The Teamsters, refusing to permit a recognition election, set up a picket line around Flint's Skaff Rug Co. in 1956 when the company refused to sign a contract. Skaff Rug next agreed to pay the Shefferman organization a $2,000 fee and $75 to $100 each month, and the Teamsters were not heard from again. Another Flint firm, Advance Electrical Supply Co., found itself surrounded by Teamster pickets in 1954 without warning. After the customary $2,000 payment to Mr. Kamenow, the pickets disappeared. The company had no contract with the union throughout the episode.

Chicago restaurateurs have encountered much the same problem at the hands of Restaurant Workers locals. In 1950, one local without employee support deployed pickets around the plush London House, in Chicago's commercial district. The famed center of jazz music selected 40 employees at random as union members, and dues wound up being deducted from their paychecks for a net loss in take-home pay. A Howard Johnson restaurant in suburban Niles, Ill., trying to get rid of Teamster pickets who had little employee backing paid $2,240 in 1952 to lawyer Abraham Teitelbaum for "labor relations" work. The money found its way to the union as initiation fees and dues, and 40 Howard Johnson employees became union members even though neither they nor the bosses knew about it.

Dawson Taylor, a Detroit Chevrolet dealer, was hit by a different approach in 1957. Without proving employee support Teamsters picketed his firm but withdrew when Mr. Taylor agreed to throw his laundry business to the hoodlum-infested Star Coverall Co. After that, the Teamsters lost interest in negotiating a contract.

In the more complex field of secondary boycotts, the most frequently used device is the "hot cargo" agreement under which truckers promise the Teamsters not to exchange freight with a strikebound trucker. The Eisenhower bill would not abolish such agreements but probably would bar the Teamsters from threatening to strike in order to enforce them. Trucking firms invoking hot cargo agreements cost the strikebound Southwestern Motor Transportation, of San Antonio, Tex., around $1 million in revenue between 1954 and 1958. As for the strike itself, Southwestern's employees at no time expressed interest in joining the Teamsters.

A jurisdictional dispute between the AFL–CIO international unions resulted in a boycott that Burt Manufacturing Co. of Akron, Ohio, estimates has cost $3 million to $4 million in lost revenue. With the Sheet Metal Workers trying to displace the United Steelworkers as bargaining agent at the Burt plant, the company found it tough going to get its ventilators installed by the sheet metal workers.

Examples: A foreman, acting as an individual and not affected by present law, would not permit sheet metal workers to install Burt equipment on a University of Akron construction job. Wooster (Ohio) Sheet Metal Co., under direct union pressure not now covered by the law, promised not to use any more Burt products on its jobs.

MARATHON STRIKE

Although the efforts of the United Auto Workers in its marathon strike against Wisconsin's Kohler Co. have been labeled as a consumer boycott designed to discourage purchases of Kohler plumbing fixtures, there have been secondary boycott implications.

Examples: A plumbing contractor switched to another brand of fixtures for a Fort Leavenworth, Kans., junior high school after being warned by the Plumbers Union that no Kohler fixtures should be used—a form of direct pressure on the employer. A Plumbers Union steward, acting as an individual, refused to use Kohler products on a Bellflower, Calif., residential development project.

The use of organizational picketing and secondary boycotts took one of its most bizarre twists in 1955 when a gangster-dominated New York City local of the old AFL United Auto Workers picketed shops that install glass parts in automobiles. The shops resisted even after shipments of glass parts were halted. All resistance crumbled, however, when one of the shops showed signs of recognizing the union. This would have made possible a secondary boycott directing all work into the one union shop. Labor peace came when the union was recognized and the shops chipped in for a $2,500 payment to convicted labor extortionist John Dioguardi, alias Johnny Dio.

The bizarre twist? About 60 percent of the shops were one-man operations with the owner the only worker. This meant these very small businessmen were paying dues and padding Dio's bank account to become union members just so they could have labor peace.

[From the Richmond Times-Dispatch, Jan. 23, 1959]

WISHY-WASHY LABOR BILLS

The first so-called labor bill to be introduced at this session of Congress has been tossed into the hopper by Senator JOHN F. KENNEDY (Democrat, of Massachusetts).

Except for minor changes, it is a carbon copy of last year's Kennedy-Ives bill. It nibbles around the edge of the problem and leaves the core untouched.

Senator KENNEDY's presidential hopes are well known. He hasn't a chance to win the Democratic nomination, unless he appeases the union hierarchy. Hence he is hardly the man to propose legislation intended to curb abuses of unionism.

KENNEDY calls his bill "bipartisan," but unlike last year's bill it has no Republican sponsor. The GOP is expected to introduce its own labor bill after Mr. Eisenhower has submitted his recommendations in the scheduled labor message.

Since it is generally assumed that any Republican-sponsored labor bill will have to obtain Labor Secretary Mitchell's approval—and since Mitchell is said to have hopes of being a dark horse at the 1960 convention—the chances are that the GOP measure will not be much of an improvement on KENNEDY's timid approach to the problem of curbing massive union monopoly.

The Kennedy bill should be dismissed as a gesture. Senator ERVIN of North Carolina, who cosponsored this wishy-washy proposal, gives it only halfhearted support. He said on Wednesday that he hoped the union-sponsored Taft-Hartley amendments would be dropped. That, basically, is in line with Republican objections to the bill.

Last year's Kennedy-Ives bill—also a mere gesture—passed the Senate 88 to 1, but was buried by a House avalanche of political maneuvers, seemingly intended to sidestep even so feeble a commitment during a congressional election year. At the time we (rather hastily) rebuked the House, on the ground that any union-curb bill would be at least a step in the right direction.

This year the need to halt the inflationary wage-price spiral is even more urgent. The threat of sympathy strikes and secondary boycotts carries the full weight not only of the striking union, but also the threat

inherent in the 16 million membership of the full AFL–CIO syndicate. Therein lies the greatest danger of union monopoly.

The right to unionize, to bargain collectively, and to strike locally should not be impaired (so long as public welfare and national security are not endangered). But unless the threat of nationwide strikes in key industries is removed, the inflationary trend cannot be checked.

[From the Chicago American, Jan. 29, 1959]

IKE'S LABOR BILL

President Eisenhower's labor bill is a much more effective measure than Senator KENNEDY's for putting an end to thieving by union officials and to abuses of union power that injure business and the general public. The President pointed this out (though he did not mention KENNEDY's name) in the message he sent to Congress with the bill.

This, he said, is "complete and effective labor-management legislation, not a piecemeal program." KENNEDY's gentle measure confines itself to reforms designed to protect union members against being exploited. It says nothing about protecting the public against oppression by arrogant union bosses, but KENNEDY says he will take care of that later by proposing amendments to the Taft-Hartley law, and this divided approach justifies Ike's description of his program as "piecemeal."

To protect the funds of union members against the sticky fingers of crooked officials, the President's measure provides that union finances be fully and publicly reported, and to put control of the unions in the hands of their members it requires election of all officers by secret ballot.

And Ike's bill provides, too, for giving the Secretary of Labor authority to conduct investigations and compel unions to obey the law.

For the protection of the American people in general, the President's bill puts restrictions on secondary boycotts. These are designed to ruin business firms by scaring other firms out of doing business with them. The boycott the Auto Workers Union now is conducting against the Kohler Co. of Sheboygan, Wis., is a particularly vicious example of this kind of boycott.

Ike's bill also outlaws the common union practice of picketing an employer to make him drive the people who work for him into a union they do not want to join. This is racket picketing. Union bosses have used it to destroy many small businessmen who stood up for the principle that their employees had the right to decide for themselves whether to join a union or not.

If Congress is really interested in cleaning up labor abuses, it will do better to pass Ike's bill than KENNEDY'S.

[From the Peoria Journal Star, Jan. 30, 1959]

STRONG LABOR LAW NEEDED

Senator JOHN KENNEDY's new labor-management bill, as everyone knows, is considerably less than is needed to protect workers and the public from union racketeers and monopolists. But the old "half a loaf is better than none" argument has been trotted out to justify it.

Sometimes the "half a loaf" argument is logical. But this is not one of those times.

The sordid record of lawlessness in some unions so far produced by the McClellan committee has been brought to the people by every communications medium—newspapers, radio, television, magazines, and newsreel. It has alarmed labor union members as well as the general public. Never has the need for comprehensive reform in any area been so clear and so well understood.

To say that it would be useless to expect Congress to pass a sweeping reform bill, because it is a Democratic Congress heavily indebted to labor union politicians, is to say that the party owes a greater debt to labor bosses than to the rank and file of labor and to the people of the United States.

If the Democrats in Congress feel that way about it, let them bear the blame for failing to vote a reform that is widely demanded. And instead of accepting half a loaf, which would theoretically appease the public, let us continue to demand real reform and set about electing a Congress in 1960 with enough courage to give it to us.

Senator KENNEDY's bill is aimed at characters such as Jimmy Hoffa and his associates. It would drive hoodlums out of labor unions. But it would do nothing about the monopoly power of unions, such abuses as the secondary boycott, blackmail picketing, or the dangers that have grown up with the uncontrolled power of some unions.

Labor unions once needed the protection of the law against big business. Now they themselves have become big business and their power, in some instances, is greater than that of the robber barons of business who brought on antitrust and other restrictive legislation. Public protection against this unrestricted power is as necessary as worker protection against racketeers in unions.

The need for comprehensive reform is proven. The public demand is unmistakable.

This is no time to talk of settling for half a loaf.

[From the Peoria Journal Star, Jan. 29, 1959]

CHANCE FOR LABOR CLEANUP

Congress, with its large majority of Democratic members friendly to the cause of organized labor, has an opportunity this year to clear away some of the abuses which have given certain sections of the labor organization a bad name.

It has before it now two proposals. One is the spineless bill sponsored by Senator KENNEDY, of Massachusetts, which is similar to the legislation passed by the Senate last year and which really will do little toward routing the racketeering bosses from some of the labor unions.

The other is the program presented by President Eisenhower, which also won't accomplish everything which needs to be done but which would go a long way toward providing protection against racket picketing in cases where no labor dispute is involved.

There are rumors to the effect that a third and stronger bill will be presented by Senator MCCLELLAN, who, as chairman of the Senate labor racketeering committee, knows as much as anyone just what is needed to clean up labor.

Certainly the Kennedy bill will not do the job. It obviously was drafted with a primary objective of doing nothing which might offend the labor bosses. It has all the earmarks of the work of a man who is trying to line up strong support for an effort to win a presidential nomination.

The Eisenhower program, whatever its shortcomings, tries to bring racket picketing under control. That section of the bill is desperately needed. Secondary boycotts and racket picketing inflict severe damage on people who are not directly involved in labor disputes and they must be curtailed.

Congress now has its choice. It either can go along with the hollow pretense of adopting the Kennedy bill or it can draft the more workable legislation which bitter experience has shown is the country's need.

[From the Washington Daily News]

RACKETEERS ON THE PICKET LINE

Blackmail and coercive picketing by racketeers masquerading as unions has been thoroughly exposed by the McClellan committee.

As was shown through a series of witnesses, such picketing was an effective weapon for extortion, notably in New York City. There, in the words of Senator MCCLELLAN, "the illiterate Puerto Rican and Negro laborer was misused by both management and labor. In some instances, the employees didn't even know they were in the union. The dues of these union members fattened the pocketbooks of the racketeers and their henchmen."

Two proposals now before Congress seek to provide a remedy at law for this kind of banditry. The Kennedy-Ervin bill would simply forbid picketing for purposes of extortion and is, in our opinion, wholly inadequate.

The Eisenhower administration bill, just submitted, perhaps does not cope fully with the infinite ingenuity of the underworld, but it at least attempts to cover the field.

The administration bill would: Forbid picketing by one union organization after another union had been recognized; or when a valid election to determine union preference had been held within 12 months; or when it cannot be shown that the employees of the business being picketed want what the pickets want; or when the pickets have been marching for a reasonable length of time and a union preference election has not been held.

All our labor law is based on the conviction that the workers have a right to organize and negotiate with their employers through agents of their own choosing. The picket line, as often abused, directly violates that right, forcing workers into unions they don't want and forcing employers to sign them into unions against their will, on pain of financial ruin.

There is nothing in these provisions of the administration bill which would hurt any decent union. They strike, in fact, at racketeering abuses which the AFL–CIO has itself condemned.

[From the Chicago Daily Sun-Times, Jan. 22, 1959]

DO WHAT IS NECESSARY TO CURB HOFFA

A bill that he says would virtually put Teamster Union President James R. Hoffa out of business has been introduced by Senator JOHN F. KENNEDY, Democrat, Massachusetts. It is similar to but not identical with the Kennedy-Ives bill that passed the Senate but became bogged down in the House last year.

The American public will welcome any legislation that would curb the brazen activities of the racket-ridden Teamster Union leadership.

In addition to new laws needed to correct the abuses of unethical labor leaders, other changes in the Taft-Hartley Labor Act have become overdue.

KENNEDY argues against loading his bill with some of these other changes. Later, he says, after a projected study of other amendments to the Taft-Hartley Act is made, he would support a second bill to cover them.

It is understandable that KENNEDY wants to push through speedily a bill to curb Hoffa and not get sidetracked by arguments about labor reforms that have little to do with the Hoffa problem. Senator BARRY GOLDWATER, Republican, Arizona, senior Republican on the Senate Labor Committee, conceded such an approach might be feasible provided the Democratic leadership guaranteed a second bill would be offered.

KENNEDY asked the Senate not to clutter up his bill with amendments banning secondary picketing of customers of a struck company and picketing by a union that does not represent a majority of employees. These prohibitions are advocated by President Eisenhower, who wants to end blackmail picketing.

It seems to us that any bill designed to strike at the excesses of the Teamsters Union should contain prohibitions to end

blackmail picketing. Such changes need not await a general overhaul of the Taft-Hartley Act. They certainly are more appropriate in a bill to curb Hoffa than some other provisions in the Kennedy bill. He includes such union-backed changes as one to extend labor board election voting privileges to strikers replaced by nonunion replacements. What is urgent and anti-Hoffa about this provision?

KENNEDY'S bill does ban shakedown picketing by which an individual seeks personal profit or enrichment. But it does not ban picketing used by the Teamsters Union to force unionization of a shop against the will of the employees. Without such a provision, the Kennedy bill is not as strong as it should be to crack down on Hoffa. And if it does not crack down on Hoffa, it loses its claim for urgency.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. HART. Mr. President, I speak to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA], of which I am happy to be a cosponsor.

The 3-month withdrawal of temporary unemployment benefits endorsed by the administration and reported by the Senate Finance Committee is, as I see it, totally inadequate in the face of the continuing high national unemployment total. It would be too little, too late.

With the expiration of the TUC program, over 1 million persons will have exhausted all benefits. The House bill will not help 800,000 of these. The House bill will not help the added 540,000 persons who will exhaust their regular insurance in the months of April, May, and June. The House bill will not help the 2,450,000 who will exhaust their benefits between April 1, 1959, and July 1, 1960. The House bill will not help the 2,289,000 persons who have not been eligible for unemployment insurance. In short, it will help only 10 percent of the 4,700,000 unemployed Americans who are looking to the President and the Congress for help.

This is a continuing crisis. It deserves the same type of national action that we have always taken in the face of disaster. We help southern farmers hit by tornadoes and frost. We help Western States with soil erosion and water problems. We undertake regional power developments and flood relief. There are a few who label these things a "public dole" or "budget busters." The majority of us properly are not panicked by such labeling. The burden of these programs has been willingly shared by the people of the large industrial States now in desperate need.

While the bill endorsed by the administration would theoretically help 405,000 persons, I have joined 16 other Senators in cosponsoring Senator MCNAMARA'S emergency unemployment benefits bill (S. 1323) as a substitute for the House bill because I am convinced it is more realistic in the face of the current situation. It will provide 16 weeks of benefits to all those who are unemployed and available for work. It is a three-dimensional approach—it would provide benefits for those exhausting their regular State benefits up to June 30, 1960, for those exhausting last year's temporary benefits and for those who have had substantial attachment to the labor force but who have not worked in jobs covered by insurance programs. All of them are unemployed. All of them must be helped through this crisis.

The cruel facts of continuing unemployment cannot be covered over by political slogans about balanced budgets. They cannot be covered over by economic theories about inflation. This is not the time to play "brinkmanship" with the welfare of nearly 5 million Americans and their families. This is not the time to "wait and see if things won't get better." We waited last year and most of the large industrial States ended up by mortgaging their insurance programs for the next 5 years. And unemployment is nearly as high today as it was then. The McNamara bill is needed now.

And while we are watching the administration beat a strategic withdrawal from the unemployment compensation crisis, we also hear rumblings that the White House is considering a veto of the Douglas area redevelopment bill (S. 722) approved by the Senate on Monday.

We need both immediate and long-range measures if we are to restore the country to a level of production, jobs, and economic growth that will truly enable us to balance the budget because we will have the income to do it with. The Douglas bill is part of the long-range attack. The McNamara bill is an essential feature of an effective short-range attack.

I am grateful for the leadership and effort of the senior Senator from Michigan, and I am hopeful that the Senate will support the amendment which he has offered in the nature of a substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. BYRD of Virginia. Mr. President, I wish to speak in opposition to the amendment offered by the distinguished senior Senator from Michigan and other Senators.

The most outstanding change created by the substitute amendment is that the proposed compensation would be financed by Federal appropriations from the general revenue. I wish to emphasize that the cost would be $875 million, which would have to come from the general revenue. By contrast, compensation under the bill as passed by the House would be paid initially from Federal loans to the States, which would be repaid.

We attach great importance to the two different methods of financing the temporary compensation. The proposed amendment introduces in the present system, set up and operated on insurance principles, a new element—a Federal grant for the payment of compensation—which has the flavor of a relief program, but without any provision for testing the need of the proposed beneficiaries.

This proposal would seriously undermine the principles on which the present program has operated successfully for more than 20 years. Even more important, once congressional grants were made available for financing unemployment compensation, it might be extremely difficult to divorce the program from reliance on congressional grants.

The British experience in financing unemployment benefits from parliamentary appropriations should be a warning to us. During the depression years of the 1920's and 1930's, the British financed a whole series of temporary extensions of benefit from parliamentary appropriations. Each extension was believed to be the last. The large parliamentary appropriations not only threatened to unbalance the British budget; they also so undermined the system that many persons, with negligible prior employment, could draw benefits for an almost unlimited period. We must not, I believe, start on this dangerous downhill road on which it may be difficult to set the brakes.

Provision of Federal grants for the payment of temporary unemployment compensation presents other dangers. The first is that the provision of outright grants might encourage some States to make agreements for the payment of these federally financed additional weeks of compensation, despite the fact that their State was not suffering high unemployment. For example, in the week ending March 7, 1959, insured unemployment—that is, unemployment among persons eligible for benefits under a State law or under the Federal law for Federal employees—ranged among the States from 1.7 to 11.8 percent of persons covered by these State laws. In 11 States, this percentage was less than 4 percent.

Mr. President, I ask unanimous consent to have a table on this subject printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Insured unemployment (State and UCFE), week ending Mar. 7, 1959

[Arrayed by percentage of insured unemployment]

States	Number	Rate
		Percent
District of Columbia	1,507	1.7
New Mexico	5,125	3.1
Colorado	11,373	3.3
Florida	27,895	3.3
Texas	62,199	3.3
Iowa	14,740	3.3
Virginia	26,663	3.6
Kansas	13,614	3.6
Ohio	95,534	3.7
South Carolina	15,707	3.8
Indiana	43,218	3.9
Missouri	40,005	4.0
Wisconsin	35,548	4.1
Nebraska	9,288	4.1

Insured unemployment (State and UCFE), week ending Mar. 7, 1959—Continued

[Arrayed by percentage of insured unemployment]

States	Number	Rate
		Percent
Delaware	5,541	4.3
Illinois	121,317	4.4
Georgia	35,047	4.5
Arizona	10,042	4.6
Utah	8,884	4.6
South Dakota	3,678	4.8
Oklahoma	19,619	4.8
New Hampshire	7,547	4.9
North Carolina	44,419	5.1
Alabama	30,209	5.2
Michigan	101,567	5.3
Connecticut	42,064	5.4
California	208,803	5.5
Massachusetts	86,923	5.6
Maryland	43,611	5.8
Louisiana	35,021	5.9
New York	315,686	6.1
Wyoming	4,111	6.2
Tennessee	41,252	6.3
Vermont	4,588	6.3
Minnesota	45,315	6.5
New Jersey	105,636	6.7
Mississippi	18,284	6.9
Rhode Island	17,395	7.0
Washington	46,076	7.1
Nevada	5,185	7.1
Kentucky	34,446	7.2
Arkansas	20,523	7.7
Oregon	30,091	8.1
Pennsylvania	258,864	8.1
Idaho	9,563	8.4
Maine	17,658	8.9
West Virginia	34,744	9.0
North Dakota	7,233	9.9
Montana	14,161	11.8

Mr. BYRD of Virginia. Mr. President, by contrast, when a State must repay Federal advances for temporary compensation, States with low unemployment are less likely to sign agreements to pay compensation, the cost of which must be repaid to the Federal Treasury.

The second danger is that these grants, if continued, would diminish the incentive of States providing the shortest duration of benefit to increase duration. The Federal grants would enable them to pay additional weeks of compensation at no cost to their employers.

PROVISION OF TEMPORARY UNEMPLOYMENT COMPENSATION TO PERSONS NOT COVERED BY THE UNEMPLOYMENT INSURANCE PROGRAM

The proposed amendment, which would pay temporary compensation from Federal grants to a specified group of persons insured under the old-age, survivors, and disability insurance, but not under unemployment insurance, presents numerous difficulties. This proposal is objectionable in principal because it would provide compensation from public funds to a highly selected group without any evidence that its members were in need.

The amendment in the nature of a substitute presents numerous administrative problems. It would rely, for example, on information available from the Department of Health, Education, and Welfare in order to determine whether these persons had had the requisite amount of employment during the 2 preceding calendar years and had earned the required minimum of $1,000 during 1 calendar year. The necessity of getting this information for any substantial number of claimants would impose additional work on the State employment security agencies and might well delay them in paying benefits to other claimants.

The proposed provision of compensation for the self-employed presents a further problem. It has never been considered possible to include self-employed persons in a system of unemployment benefits because of the impossibility of determining when a self-employed person is unemployed. How is it possible to determine, for example, that a commission salesman is unemployed and is not enjoying a vacation from his work? This inherent difficulty in including self-employed persons might well lead to abuses of the proposed temporary compensation.

COST

At a time when we are making every attempt to balance the Federal budget, we should look carefully at the relative costs of H.R. 5640, as passed by the House, and of its proposed amendment, especially in view of the problems the amendment presents. The Department of Labor estimates that the cost of compensation provided under H.R. 5640, as passed by the House, would approximate $78 million. The proponents of the amendment estimate that their proposals would cost $875 million, more than 10 times the cost of the bill as passed by the House.

I hope the amendment in the nature of a substitute will be rejected.

Mr. CLARK. Mr. President, I desire to reply to the speech just made by the distinguished Senator from Virginia in opposition to the McNamara amendment, first with respect to the cost of the amendment.

While it is true that the gross cost would be approximately $875 million, there is at present unexpended from appropriations heretofore made by Congress for temporary unemployment compensation somewhere in the neighborhood of $205 million. So the net cost would be reduced to $670 million, rather than $875 million.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WILLIAMS of Delaware. Is not the $205 million of unexpended appropriations available for use only in the form of loans repayable by the States?

Mr. CLARK. The Senator is correct.

Mr. WILLIAMS of Delaware. If the amendment were agreed to, it would authorize an $875 million appropriation by the Federal Government, none of which would be repayable. Therefore, I see no connection between the two proposals.

Mr. CLARK. No; it is my impression that the Senator from Delaware is erroneous in that understanding, because I understand the $205 million appropriated but unexpended and not chargeable against the 1960 budget would be available if the amendment were agreed to.

Mr. WILLIAMS of Delaware. That money or any other money could be available; but the point is that if the amendment shall be agreed to, the Government will be paying out $875 million, none of which will be repayable.

Mr. CLARK. The Senator is quite correct. My statement was that the cost in terms of new appropriations was $670 million. I think that is correct. Does the Senator challenge that statement?

Mr. WILLIAMS of Delaware. I disagree with your conclusion. Money which is authorized to be used as a loan cannot be used, by substitution, for a grant. An entirely new appropriation of $875 million would be needed if the amendment were agreed to.

Mr. CLARK. If the Senator from Delaware is correct in his assumption—which he may well be—then the $205 million would not be available for grants, and it would return to the Treasury because not used. So the net amount of new money would be $670 million. That is a large sum of money. It should not be appropriated without careful thought. As the Senator from Michigan has said, I think every Senator who supports the amendment in the nature of a substitute desires to see a balanced budget. I know that I do. I took the floor of the Senate on March 5 to suggest how the budget could be balanced by the closing of tax loopholes, even if the President's budget were to be increased by something in excess of $4 billion.

Among the loopholes which could be closed and which would provide revenue far in excess of the $670 million of new money called for by the McNamara amendment are the following: The mere employment of additional Internal Revenue agents to audit income tax returns has been estimated by the Treasury itself to yield $100 of new revenue for every 38 cents of administrative expense for the additional revenue agents.

If as many as 3,000 such agents were placed on the payroll, as they were in years past, and if all accounts were audited, it is estimated that $2,700 million additional revenue would be received without a single change in the tax laws.

Let us cut that sum in half and make it $1,350 million. There would still be considerably more money raised without any change in the tax laws, merely by employing more agents in the Internal Revenue Service, than is necessary to pay for the additional expenditures called for by the amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CARLSON. The Senator from Pennsylvania stresses the need for additional agents in the Internal Revenue Service for tax collections. I agree with him. But I am quite certain the Senator is familiar with what happened in the House of Representatives, where the Committee on Appropriations struck out all requests for new employees in the Internal Revenue Service. That does not look promising, so far as getting additional personnel to collect more money is concerned.

Mr. CLARK. I have great confidence that the Senate Committee on Appropriations will not follow the lead of the House, the need for revenue being as great as it is. The Senator knows that the bill is at present pending before the Committee on Appropriations. I am hopeful that the additional funds for this purpose will be provided.

Mr. President, I shall not take the time of the Senate to detail the 10 other loopholes which could be closed without perpetrating any injustice or inequity, but, in fact, eliminating injustice and inequity. I believe I am conservative in repeating what I said on the

floor of the Senate on March 5th—namely, that the closing of these loopholes would yield approximately $7 billion of additional revenue with no increase in tax rates generally.

So there need be no concern about breaking the budget ceiling by adopting this amendment. The question is whether we wish to help those who are unemployed, those whose families do not have enough to eat, and whether we are so much in favor of helping them that we are willing to vote to close these tax loopholes in order to obtain the funds with which to make the expenditures called for by the amendment.

Mr. President, as the Senator from Michigan [Mr. McNAMARA] has said, this problem is a national one, and it should be treated on a national basis.

The Federal Government is also making national payments for public-assistance grants in specific categories; and those grants are not very different from unemployment compensation grants. I see no difference in principle between those payments by the Federal Government and the payments proposed to be made by the McNamara bill. Just as the problem of relief is a national one, so is the problem of unemployment.

Furthermore, I do not believe the States should be called upon to carry this load indefinitely. My distinguished friend, the Senator from Virginia, [Mr. BYRD], and I had a little discussion on that point during the hearings held by the Finance Committee. I suggested that my State was broke. The Senator from Virginia indicated that that meant that my State was bankrupt. Finally we agreed not to argue about the semantics. However, Mr. President, the fact is that in Pennsylvania unemployment has increased to a dangerous level; and additional payments by our employers to this fund at this time would result in putting a great brake on the States' industry and the development of a healthy economy.

Mr. President, the administrative problems which would arise from the amendment are not inconsiderable, but in my judgment they are surmountable. The determination of need would be made by the States. The States are well qualified to determine whether an applicant is entitled to receive unemployment compensation. The States can satisfactorily make that determination with respect to the covered employment, as they have in the past. In the case of employment that is not covered, the applicant must show that he comes within the terms of the act—in other words, the burden of proof is on him to show that he was employed and that he is able to qualify.

Mr. President, I do not think it proper to call upon American citizens who are out of work, and who need jobs, to take up the slack in the case of the States which, because of their difficulties—acute as they are in many cases—cannot meet this need.

So, Mr. President, I hope the pending amendment will be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly in opposition to the pending amendment.

I have listened with interest to the remarks made by my good friend, the the Senator from Pennsylvania [Mr. CLARK,] in regard to the fact that the financial position of his State is such that it cannot afford to finance this unemployment compensation insurance.

However, I call his attention to the fact that if the Senate agrees to the pending amendment, which provides for expenditures, at the National level, of $875 million, the Federal Government must raise that amount of money by levying additional taxes upon the people of the States. The Federal Government does not have access to any mysterious source of income. The only money it can spend, the only money it can pay to the States, must first be taken from the citizens of the respective States.

In this connection, let me point out that the citizens of Pennsylvania are at the present time paying approximately 10 percent of all the revenue which the Federal Government obtains by taxes. Therefore, if the pending amendment is enacted into law, the $875 million of additional payments it calls for will have to be obtained by the Federal Government by placing additional taxes on all the people of all the States—and, in the case of the people of Pennsylvania, to the extent of $87,500,000. The Federal Government can obtain the money it spends only be levying taxes on the people of the various States.

Mr. CLARK. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER. (Mr. LAUSCHE in the chair). Does the Senator from Delaware yield to the Senator from Pennsylvania?

Mr. WILLIAMS of Delaware. I yield.

Mr. CLARK. My good friend, the Senator from Delaware, and I have in the past had occasion to bandy this argument across the aisle. He has always insisted that the same people in Pennsylvania who pay the taxes are the ones who would receive these benefits.

Mr. WILLIAMS of Delaware. No, I have not said that.

Mr. CLARK. The Senator from Delaware just said they are the same people.

Mr. WILLIAMS of Delaware. No; I said they are citizens of the same State. I recognized that those who receive unemployment insurance compensation in Pennsylvania are not paying these taxes. But I suggest that the necessary taxes are paid by the people of the same State; and surely the Senator from Pennsylvania will agree to that statement. According to the statistics of the Treasury Department, approximately 10 percent of all the tax revenue of the Federal government comes from your State.

Mr. CLARK. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. Of course.

Mr. CLARK. No doubt the Senator from Delaware inadvertently used the words "the same people." The RECORD will speak for itself, and I am quite sure it will show that he did use those words.

Heretofore, he and I have discussed this point. Of course, my position is that those who receive these payments are in a class which is entirely different from the class of those who pay the necessary taxes. The overwhelming amount of the taxes which would be paid in Pennsylvania would not at all come from the ordinary citizens of Pennsylvania; instead, it would come from Pennsylvania corporations and from taxpayers who can well afford to make this additional contribution in the interest of human compassion and kindness.

Mr. WILLIAMS of Delaware. I am sure the people of Pennsylvania are prepared to pay their share; and I shall not enter into an argument with the Senator from Pensylvania, as to whether Federal taxes are levied more on the basis of ability to pay, than do State taxes. I do not know how taxes are collected in Pennsylvania. I would assume that that situation in Pennsylvania is similar to that in Delaware.

If in Pennsylvania taxes are levied less on the basis of ability to pay more than is true in the case of Federal taxes I do not know about that. But I repeat that, on the average, 10 percent of the total revenue of the Federal Government comes from Pennsylvania. About 1 percent comes from Delaware. As these expenditures are increased, it is necessary to increase the taxes that are levied on taxpayers of the various States, in order to provide the tax revenue of the Federal Government; or else an additional deficit must be incurred. In the latter event, the per capita Federal indebtedness of both the people of Delaware and the people of Pennsylvania would be increased. We cannot escape that simple fact of life.

Therefore, I repeat, the people of Pennsylvania will have to help finance this appropriation or any other appropriation which Congress may make. Again I emphasize that the Federal Government does not have any mysterious source of income. The revenue of the Federal Government is based entirely upon the funds obtained by the Federal Government from the pockets of the taxpayers. So, in the final analysis, payments of the sort now proposed will not constitute gifts to Pennsylvania, Delaware, or any other State. It will merely represent the return of a part of that which will be collected from them.

Mr. CLARK. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. CLARK. The Senator from Delaware represents an extremely prosperous State, even though it is small in size. It is prosperous not only because of the activities of its people, but also because it has a corporation law which brings into the State many millions of dollars from corporations which wish to be incorporated in Delaware. I have no quarrel with that situation at all; that is a privilege of Delaware.

I am not arguing about what attitude the Senator from Delaware should take on the pending amendment. He is fully able to determine his own position with regard to it.

However, despite his little lecture, I believe that the people of Pennsylvania are overwhelmingly in favor of the pending amendment, even though it might result in their paying, in taxes, a little more than they would receive by means of the amendment. The citizens of Pennsylvania are interested in people being fed, in people being clothed, in people being housed. They have a sense of compassion for their unfortunate fellow Americans, and I am sure they would want both Senators from Pennsylvania to vote for the amendment.

Mr. WILLIAMS of Delaware. I am not disputing or quarreling with the position of the Senator from Pennsylvania. I merely say that if Congress passes this bill, the State of Pennsylvania is going to help to furnish the money to pay for the program. All this talk about producing this extra money by closing mysterious loopholes is not going to produce the money. I have just as much interest as has anyone else in discovering these mysterious billions. I do not think the phrase "loophole" is exactly proper. We all consider as a tax loophole a tax advantage with which we are in disagreement, even though it is in the present law. The people are paying the taxes according to the law, whether they are taking advantage of a 27½-percent depletion allowance or not. I personally think these depletion allowances are too high but we in the Congress have the responsibility of changing the law when we think there is an inequity in the tax law. As one Senator, I have tried to change these inequities, and will continue to do so. But that is no excuse for voting another billion now on the assumption that later we will collect more taxes from some source.

Let us collect the money first. For years we have been operating at a deficit. It is time we call a halt.

No one denies the fact but that if this amendment is enacted, the $785 million which the Federal Government will have to furnish to the States under this program, will all have to be raised by levying some kind of tax on the people of the respective States. There is no mysterious source of income at the National level.

The fact is that the proposal provides for the expenditure of $875 million over and above the amount recommended in the budget.

If this amendment is enacted, it will be the first step toward nationalizing State unemployment insurance; it will be the first step toward nationalizing a program which has always been recognized as being the responsibility of the States.

I was interested to note that the executive committee of the National Conference of Governors, which reported to the President this week, recommended that this program was a State program, and that the Federal Government should not take even the first step toward nationalizing it. This proposal now before us is not endorsed by the Governors, on the basis that the Governors recognize this program as being one of State responsibility.

I agree that such a step would be a dangerous precedent for Congress to establish. Once we take this step we shall be establishing a new principle, not of unemployment insurance—and I believe very strongly in a sound unemployment insurance program—but the minute Congress adopts the approach recommended under the amendment, the program will cease to be for unemployment insurance, it will become unemployment relief. I do not believe the American working man wants an insurance and a relief program connected.

If Congress is going to pass a relief measure, it should not do so under the guise of enacting an unemployment insurance measure. This proposal is not an unemployment insurance measure; it is a proposal to make it possible to provide relief in many instances to those who have never been covered under the unemployment insurance program, who have contributed nothing to it, and perhaps they will make no payments to the fund in the future.

Let us study well the experience the British had when they adopted a similar proposal and later had to drop it. We in this country would do well to heed the warnings of history and keep this program as a bona fide State-financed unemployment insurance program. Let us keep the program as the Governors of the respective States, through their executive committee, have recommended we in the Congress should.

Let us not spend another billion which we do not have.

Mr. CARLSON. Mr. President, I was a member of the House of Representatives in 1935 at the time Congress enacted the original Social Security bill. In 1939 I was a member of the House Ways and Means Committee, at which time we rewrote some of the provisions of that bill and changed some of its basic principles.

The basic principles of the act as passed in 1935 were that the unemployment law of each State would be written by the legislature of the State. The duration of benefits, the benefit amounts, and the eligibility conditions were to be locally determined to meet local conditions.

It was the intent of Congress that the responsibility of the Federal Government should be limited. The State responsibility was not only uppermost, but it was fundamental in the program.

I do not minimize the current unemployment situation. However, I believe it would be disastrous for our Nation to change completely the basic philosophy of our current social security program because we are in a temporary unemployment period.

The present unemployment picture is improving—although I will admit, not so rapidly as I would like to see it—and new claims for unemployment compensation have declined appreciably in recent weeks. They are now running about 40 percent under those of a year ago, and employment should show at least seasonable improvement in March.

The Senate today is confronted with a choice between two bills. One is S. 1323, which is sponsored by several Members of the Senate, and would provide for a greatly expanded Federal program. In fact, if enacted into law, it would not provide for repayment of funds used within a State for unemployment compensation benefits, but would in reality be a give-away program.

H.R. 5640 is a 3 months' extension of the emergency Federal jobless pay program which Congress approved last year. When it was passed by Congress last year, it was understood it was to be temporary; and if we today approve this bill it will be truly a temporary measure.

Under the emergency legislation we enacted last year, only 17 States have elected to participate fully in its provisions.

My own State of Kansas did not take advantage of these funds, although our unemployment reached a total of 5.6 percent in 1958. In February of this year our unemployment was reduced to 4.2 percent of the insured work force.

The Kansas Legislature, which has just concluded its biennial session, has increased the duration of the benefit period under our social security program from 20 to 26 weeks, and has hiked the payments to $40 a week. This increase in the period of the duration of the benefits, plus the increased benefits as approved by the legislature, is proof that Kansas is concerned about its insured who become unemployed.

Our State has a good record in dealing with its own unemployed, and we expect to continue our active interest in their problems.

As one who has been personally familiar with our social security legislation since its inception, I urge the Senate to vote down S. 1323, which is the pending amendment, and support H.R. 5640.

I ask unanimous consent that an editorial appearing in the Kansas City Star, under date of March 19, entitled "Keeping Perspective on Jobless Benefits," be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KEEPING PERSPECTIVE ON JOBLESS BENEFITS

A 3-month extension of the temporary Federal jobless pay program appears to be reasonable in view of the continued high level of unemployment. It would carry the emergency program through the spring when the normal job pickup can be expected to brighten the picture. And it would reemphasize what we regard as one of the most important features of the law: It is a temporary measure not designed to negate the traditional philosophy that unemployment benefits should remain a State function.

There are men in Congress who would have it otherwise. The original Democratic proposal to extend the temporary program a full year might have given them an opening wedge. Also it would have played havoc with the balanced budget. But the House has restored reason and voted for the 3-month extension that would expire July 1. Under the present law the additional Federal benefits would expire at the end of this month.

In 1958, the temporary program was approved as an antirecession measure. It permitted the Federal Government to advance funds to the States to extend by as much as

one-half the number of weeks for which an unemployed worker is eligible for jobless benefits. The extension averages out to 13 weeks for the Nation.

But while production has been rising steadily, unemployment has continued. The February figure was 4,749,000. As the President recognized last year, unemployment is far more than a matter of statistics. A tapering off of the emergency program would ease the critical financial plight of a large number of Americans.

The cost would be about $49 million out of this year's budget, which already is hopelessly unbalanced. Then if the expected job increase materialized the sound unemployment compensation program would revert to normal. Presumably Uncle would vacate a field that he entered just to do a specific job.

Mr. CARLSON. Mr. President, I also ask unanimous consent that a weekly summary of Kansas unemployment insurance benefit activities, submitted by the director of the Kansas Department of Labor, be made a part of the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Weekly summary of Kansas unemployment insurance benefit activities, for the week ended Mar. 14, 1959

	This week	Last week	Year ago
	State programs		
Claims against Kansas:			
Initial claims—intrastate	1,086	1,236	2,607
New (including transitional)	645	769	1,717
Weeks claimed—intrastate	11,075	13,393	18,113
Initial claims—interstate	245	243	358
New	138	142	213
Weeks claimed—interstate	2,301	2,412	3,133
Claims against other States:			
Initial claims	99	125	237
Weeks claimed	955	1,252	1,631
Insured unemployment rate	3.9	4.2	5.8
Payments issued:			
Number	12,451	12,651	19,022
Weeks compensated	13,799	13,860	21,130
Amount	$386,878	$388,712	$599,561
Average weekly rate	$28.04	$28.05	$28.37
	Federal programs		
UCFE, no UI:			
Initial claims	23	26	34
Weeks claimed	257	282	387
UCX only:			
Initial claims	55	69	-------
Weeks claimed	399	476	-------
UCV only:			
Initial claims	12	10	79
Weeks claimed	118	139	616

Mr. CARLSON. Mr. President, I also ask unanimous consent to have printed in the RECORD, as a part of my remarks, an article which appeared in the financial pages of this morning's Washington Post and Times Herald, entitled, "Business Outlook," written by J. A. Livingston, in which he discusses some of the problems of the automobile industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Mar. 25, 1959]

BUSINESS OUTLOOK—DETROIT GETS NEW ENGLANDITIS

(By J. A. Livingston)

Grimly, despairingly, men today make the rounds of Detroit employment offices in fruitless quests for jobs, because Detroit, over the last several years, has imported unemployment. What a strange, unwanted import amid nationwide prosperity.

The 1958 recession brought into retrospect this glacial economic trend. It demonstrated that automobile manufacturers had moved jobs out of Detroit and Michigan to Missouri, Ohio, Delaware, California, Texas, and elsewhere—in the interest of efficiency. Result: Detroit suffers from New Englanditis. Nowhere is this more significantly manifested than in three seemingly innocent sentences in Chrysler Corporation's 1958 annual report:

"The Newark, Del., assembly plant * * * supplies Plymouth and Dodge cars for east coast markets * * *. The new [St. Louis] plant will enable the company to supply the fastgrowing south and southwest market * * *. Improvements at the Los Angeles plant included new flexible conveyer systems * * *."

PAINFUL DISCOVERY

New Englanditis is what the towns of Manchester, N.H.; Lowell, Mass., Boston, and other large textile and shoe centers had to contend with in the late twenties and during the thirties and forties. Companies beset by high labor costs, rigid union regulations, old facilities, and high taxes moved elsewhere—often to the South. When depression settled over the Nation, New England workers painfully discovered that they were laid off first, rehired last, often not rehired at all. The efficient plants were elsewhere.

Only recently has New England routed this economic malaise. The lively electronics industry, growing like a newborn babe, has provided jobs for skilled textile machinists and retrained textile workers. It took time, energy, and imagination on the part of New England government officials, businessmen, and labor leaders to reinvigorate an area which had reached economic maturity and seeming senescence.

OLDER PLANTS CUT BACK

Now, apparently, Detroit and Michigan, though to a lesser extent, face a similar task of recrudescence. Can new industry be imported to provide jobs? For even if car sales pick up to 1956 or 1957 levels, it's unlikely that Michigan or Detroit employment will fully recover to the levels of those years. Too much deterioration took place under a panoply of false prosperity.

During the postwar years of rip-roaring auto sales in 1955, 1956, and 1957, New Englanditis was slowly setting in. All three of the Big Three were decentralizing—putting up newer plants outside Michigan. Yet, at the time, all capacity seemed needed. It was not fully appreciated, then, that if auto sales were to fall off, the newly automated facilities would be kept operating. The older plants in Michigan would be cut back. Unemployment would be imported.

In boomy 1955, more than 52 percent of the jobs in the automobile industry were in Michigan and 37 percent in and around Detroit. Last year Michigan accounted for only 45 percent of automobile employment and Detroit for only 29 percent. According to U.S. Commissioner of Labor Statistics, here is how this came about:

Automobile employment

	1955	1958	Percent decline
United States	904,000	627,000	31
Michigan	477,000	284,000	40
Detroit	333,000	182,000	45
Rest of the United States	427,000	343,000	20

IRONICALLY SAD SITUATION

Thus, the drop in employment in Michigan was both numerically and in percent twice as great as the rest of the United States. From this might be deduced an economic law: As an industry, such as automobiles, becomes bigger, as its market spreads, efficiency dictates decentralization of facilities nearer ultimate markets.

Eventually, the plants in original locations are less efficient than plants erected later—and elsewhere. The Pittsburgh region is to steel what Detroit is to autos. More, more, and more production is concentrated in the newer plants. That leaves older plants with less to do, established workers without jobs.

It's ironically sad for Detroit that the one domestic company whose employment is at an alltime high, American Motors, concentrates its Rambler production at Kenosha and Milwaukee, Wis. Its Hudson plant in Detroit is not making autos. Similarly, Studebaker-Packard, undergoing a revival with its Lark, concentrates at South Bend, Ind.

Mr. CARLSON. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Utah [Mr. BENNETT] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent on official business as a member of the Executive Committee of the Interparliamentary Union.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from

Maryland [Mr. BUTLER], and the Senator from Illinois [Mr. DIRKSEN] would each vote "nay."

The result was announced—yeas 38, nays 49, as follows:

YEAS—38

Bartlett	Hennings	Murray
Byrd, W. Va.	Humphrey	Muskie
Carroll	Jackson	Neuberger
Chavez	Kefauver	O'Mahoney
Clark	Kennedy	Pastore
Dodd	Long	Proxmire
Douglas	Magnuson	Randolph
Engle	Mansfield	Smith
Gore	McCarthy	Symington
Green	McGee	Williams, N.J.
Gruening	McNamara	Yarborough
Hart	Monroney	Young, Ohio
Hartke	Morse	

NAYS—49

Allott	Ellender	Morton
Anderson	Frear	Moss
Beall	Goldwater	Mundt
Bible	Hayden	Prouty
Bridges	Hickenlooper	Robertson
Bush	Hill	Saltonstall
Byrd, Va.	Holland	Schoeppel
Cannon	Hruska	Scott
Capehart	Javits	Sparkman
Carlson	Johnston, S.C.	Stennis
Case, N.J.	Keating	Talmadge
Case, S. Dak.	Kerr	Thurmond
Church	Kuchel	Wiley
Cooper	Langer	Williams, Del.
Cotton	Lausche	Young, N. Dak.
Curtis	Martin	
Dworshak	McClellan	

NOT VOTING—11

Aiken	Eastland	Jordan
Bennett	Ervin	Russell
Butler	Fulbright	Smathers
Dirksen	Johnson, Tex.	

So the amendment in the nature of a substitute, offered by Mr. MCNAMARA for himself and other Senators, was rejected.

Mr. BYRD of Virginia. Mr. President, I move to reconsider the vote by which the McNamara amendment was rejected.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. MCCARTHY. Mr. President, on behalf of the Senator from New York [Mr. JAVITS], myself, and Senators HARTKE and MCNAMARA, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert in lieu thereof the following:

That paragraph (1) of section 101 (a) of the Temporary Unemployment Compensation Act of 1958 (42 U.S.C. 1400) is amended by striking out "April 1, 1959," and inserting in lieu thereof "July 1, 1959."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Minnesota for himself and other Senators.

Mr. MCCARTHY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MCCARTHY. Mr. President, my amendment simply extends the temporary unemployment compensation program for 3 additional months.

The bill reported by the Committee on Finance contains a provision that anyone who qualifies before April 1 shall be eligible for benefits until July 1. The effect of my amendment is to provide that anyone who qualifies before July 1, shall be eligible for the temporary unemployment benefits paid under the program.

The amendment makes no changes in the State programs. It provides for a continuation of the loan program which was adopted last year. The effect of the amendment is to give some measure of benefit and some measure of aid to the large number of unemployed persons who would otherwise in those 3 months receive no unemployment compensation whatsoever.

The amendment has a second advantage, I think, in that it would give State legislatures time to respond to the needs in the field of unemployment benefits.

By extending the time until July 1, there will be no excuse for any State legislature to say "We did not have time; the act expired before we were able to provide unemployment compensation."

I favor the enactment of national standards. I supported the McNamara amendment which was offered earlier this afternoon. It is my opinion that when Congress was adopting temporary legislation last year, it perhaps should have approved something like the McNamara amendment. As a matter of fact, what the Senator from Michigan proposed was essentially what the Democrats advocated last year. That program would have been a genuine emergency or temporary program. The Federal Government would have assumed responsibility for a year, during which the States could have taken action. Instead of assuming that responsibility, Congress passed an act which threw the burden on the States, which were already overburdened.

I say the least we can do today is to extend for 3 months the duration of the temporary unemployment compensation program.

The cost is estimated to be $130 million.

As was pointed out earlier today, in excess of $200 million remains in the appropriation which was made in the last Congress. Consequently, some of that appropriation will remain, even though this program is fully adopted and is completely carried out.

Mr. KENNEDY. Mr. President, I desire to compliment the Senator from Minnesota [Mr. MCCARTHY] on his amendment.

I wish to call the attention of the Senate to the fact that the Senator from Minnesota and other Senators sent to a number of State Governors a telegram in which the latter were asked whether they supported the concept of minimum standards for unemployment compensation benefits; and they were also asked to state how long they believed such benefits should be provided.

I ask unanimous consent to have printed at this point in the body of the RECORD the telegram which was sent to the Governors; and also the replies which have been received from Governor Clauson, of Maine; Governor Freeman, of Minnesota; Governor Ribicoff, of Connecticut; Governor Docking, of Kansas; Governor Rosellini, of Washington; Governor Brooks, of Nebraska; the Acting Governor of Alaska, Hugh J. Wade; Governor Hickey, of Wyoming; Governor Lawrence, of Pennsylvania; Governor Loveless, of Iowa; and Governor Williams, of Michigan. Their telegrams indicate very clearly that the States which are most involved with this problem are strongly in support of Federal minimum standards, and that some of the statements which came from the Governors' conference held the other day at the White House do not indicate the feeling of the Governors of the States which are most directly concerned with this problem.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MARCH 20, 1959.

Senator JOHN F. KENNEDY,
Washington, D.C.:

We understand that the President is seeking expressions of opinion from the executive committee of the Governors' conference concerning the strengthening of the unemployment compensation system. The undersigned Senators believe the only solution for the individual hardships created by the loss of jobs, the community suffering from large-scale unemployment, and the depressing effects of cutbacks in the flow of earnings is an amendment to the Federal Unemployment Compensation Act which would require each State to adopt the same minimum standards. This would eliminate any tendency to reduce benefits in order to encourage industry to move to those States with low benefits, it would fulfill the objectives repeatedly requested by both Democratic and Republican Presidents, by Governors, by leading economists, such as Arthur Burns, and by studies such as those contained in the Rockefeller Brothers' report of April 1958 and the report of the Federal Advisory Council on Employment Security recently published. S. 791 and the corresponding House bills would include these recommendations. Hearings on the House bills are scheduled to begin April 7 before the Ways and Means Committee. We would appreciate an expression of support by you for this legislation. Please address your telegram to Senator JOHN F. KENNEDY, Senate Office Building, Washington, D.C., and send a copy to the executive committee of the Governors Conference, White House, Washington, D.C., or to Gov. LeRoy Collins, Sheraton-Carlton Hotel, Washington, D.C. Please do not confuse this request with the request of a few days ago for an expression of opinion on the temporary unemployment compensation bill.

Senator JOHN KENNEDY, Senator JOHN CARROLL, Senator STEPHEN YOUNG, Senator HARRISON A. WILLIAMS, Jr. Senator STUART SYMINGTON, Senator JENNINGS RANDOLPH, Senator WILLIAM PROXMIRE, Senator JOHN PASTORE, Senator RICHARD NEUBERGER, Senator EDMUND MUSKIE, Senator JAMES MURRAY, Senator WAYNE MORSE, Senator PAT MCNAMARA, Senator GALE MCGEE, Senator MIKE MANSFIELD, Senator WARREN MAGNUSON, Senator JACOB JAVITS, Senator HENRY JACKSON, Senator HUBERT HUMPHREY, Senator JOSEPH CLARK, Senator PHILIP HART, Senator EUGENE MCCARTHY, Senator ERNEST GRUENING, Senator THEODORE GREEN, Senator CLAIR ENGLE, Senator PAUL DOUGLAS, Senator THOMAS DODD, Senator FRANK CHURCH, Senator DENNIS CHAVEZ, Senator HOWARD CANNON, Senator ROBERT BYRD, Senator CLIFFORD CASE.

AUGUSTA, MAINE, *March 23, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.

I strongly endorse the proposal to establish uniform minimum standards for unemployment compensation throughout the Nation. Adoption of such standards would lessen the impact of recessions on communities and reduce hardship caused by loss of employment. It also would eliminate any tendency for industries to move to low benefit States. I believe that establishment of minimum standards for unemployment compensation in all the States is imperative.

CLINTON A. CLAUSON,
Governor of Maine.

ST. PAUL, MINN., *March 24, 1959.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

This is the text of the telegram which was sent to Gov. LeRoy Collins:

"I urge the passage of S. 791 to establish minimum Federal standards for jobless pay benefits. The effects of the 1957–58 recession still hang over nearly 5 million unemployed Americans. The hardships to the people and the depressing effect to the community as a result of the cutback in the flow of earnings calls for positive action to strengthen unemployment compensation on a national level—thus ending the tendency to use low benefits as a means to encourage industry to move to those States with low benefits. Such action has been recommended by any number of important economic studies. Establishment of Federal standards will stabilize the unemployment compensation programs of States to enable the unemployed to find jobs without suffering disastrous loss of savings and property."

ORVILLE L. FREEMAN,
Governor of Minnesota.

HARTFORD, CONN., *March 23, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I consider legislation setting up nationwide minimum standards under Unemployment Compensation Act necessary both in the interest of national economy and fairness. Agree such legislation has long been needed and should be enacted without further delay.

ABE RIBICOFF,
Governor of Connecticut.

TOPEKA, KANS., *March 23, 1959.*
Hon. JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I respectfully urge the strengthening of the unemployment compensation system through Federal legislation which would standardize the minimum standards among all the States.

Sincerely,

GEORGE DOCKING,
Governor of Kansas.

OLYMPIA, WASH., *March 24, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

Endorse principles of Senate 791 and companion House bills but feel that time is needed for comprehensive study of impact of this legislation on our present State unemployment compensation law. Complexities of bills make definite stand difficult at this time. Specifically concerned about 39-week minimum duration and financing provisions.

ALBERT D. ROSELLINI,
Governor, Washington State.

LINCOLN, NEBR., *March 22, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

We are heartily in favor of the strengthening of the Unemployment Compensation Act as set forth in your telegram of March 21.

Sincerely,

RALPH G. BROOKS,
Governor, State of Nebraska.

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.:

Hon. HARRY F. BYRD, chairman, Senate Finance Committee, U.S. Senate, Washington, D.C., Senate bill 1323, highly preferable to House bill on temporary unemployment compensation. It is essential that cost of such programs be covered by grants rather than loans. Including of workers not covered under State programs will create some administrative problems but can be administered. We do not believe this provision essential but have no objection to it. This bill would to some degree alleviate distress and unemployment in Bristol Bay area by Federal closure of fishing this year. We endorse and recommend Senate bill 1323. This bill would help solve immediate problems due to unemployment. For permanent improvement in the unemployment insurance program we recommend passage of Kennedy bill, Senate bill 791.

HUGH J. WADE,
Acting Governor of Alaska.

CHEYENNE, WYO., *March 24, 1959.*
Hon. JOHN F. KENNEDY,
U.S. Senator,
Senate Office Building,
Washington, D.C.:

Urgently request favorable consideration of H.R. 3547 and S. 791 to require each State to adopt same minimum standards and extend payment to a 30-week period by amendment of the Federal Unemployment Compensation Act. Higher benefits of longer duration is only solution for individual hardships created by loss of jobs.

J. J. JOE HICKEY,
Governor of Wyoming.

HARRISBURG, PA., *March 24, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

The only meaningful way to improve unemployment insurance nationally to combat future national recessions more effectively, to provide equal protection to workers wherever they live, to remove the tax handicaps now being suffered by employers in States with high standards like Pennsylvania, is to require agreed upon national minimum standard for unemployment compensation similar to those recommended by Federal Advisory Council to Secretary Mitchell and, I understand, embodied in your bill, S. 791.

DAVID L. LAWRENCE,
Governor.

DES MOINES, IOWA, *March 24, 1959.*
Hon. JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I strongly support proposed legislation to establish minimum standards for unemployment compensation applicable in all States. Have requested permission to present testimony on House bills embodying these proposals on Monday, April 13.

Warm personal regards.

HERSCHEL C. LOVELESS,
Governor of Iowa.

Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

Please convey to Members of the Senate my unqualified support for S. 791. The achievement of realistic benefit levels and duration have been held back by drum beating competition to hold down tax rates and benefits. Everyone agrees that we must preserve our Federal-State system, but, despite annual pleas by the President over the last 5 years State response has been less than sufficient, and only the stimulation of Federal basic minimum standards will make our unemployment insurance practical and effective. While States are intimately involved, both the cause and effect of unemployment are national in scope as the last recession has only too well pointed out. Federal responsibility consequently is patent. Reinsurance provisions of S. 791 strengthen the partnership between the States and the Federal Government which is so vital to successful defense against both inflation and a depression.

G. MENNEN WILLIAMS,
Governor of Michigan.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in connection with this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

Twenty-four years ago, in the wake of the depression, the Nation took a major step toward the goal of a society in which every willing worker could enjoy insurance against the tragedy of unemployment. Provision was made for a Federal-State system of unemployment insurance under which jobless workers could receive weekly benefits while actively seeking employment.

Without question, unemployment insurance has served as a buffer against fear of want and privation, as an important part of our humanitarian social legislation, and as an economic stabilizer. Sensitive to fluctuations in the economy, it automatically pours millions back into the economy to replace lost wages whenever a downturn occurs. Unfortunately it has failed to keep pace with the increase in price levels and the increase in wages since 1935 and has, therefore, lost much of its effect both as insurance to the worker and as a prop to the economy in times of distress. The recent University of Michigan study, published in February 1959, reaches the conclusion that "if unemployment insurance benefits had been paid at a rate of 50 percent of the average wages instead of the approximately 37 percent actually paid, and, if coverage had been broadened, and the maximum duration of benefits had been 39 weeks in all States for the entire period of the recession—about $1.5 to $2 billion additional would have been dispersed to unemployed individuals."

The following are the recommendations of the authors of the study made by the University of Michigan, William Haber, Fedele F. Fauri, and Wilbur J. Cohen:

"RECOMMENDATIONS

"The experience of the recession indicates that the existing built-in stabilizers in our income maintenance programs were not—and still are not—satisfactory to meet another similar recurrence. A free enterprise economy must make more effective provision than we now have for meeting the unemployment hazards which occur from the free play of economic forces in the marketplace.

"The full potential of our unemployment insurance system was not utilized during the recession for the alleviation of hardship and the support of our economy.

"The tragic part of the situation was that there was $7 billion in unemployment insurance reserve funds which were not touched during the recession. If State and Federal unemployment laws had been more

adequate and had permitted $1.5 to $2 billion of these reserves to be used to pay benefits to the unemployed, many personal hardships could have been avoided. There would still have been about $5 billion of reserves left if unemployment insurance benefits had been more adequate.

"Among the most urgent improvements in Federal and State legislation which are vitally needed while the lessons of the recession are still fresh in our memory are:

"1. Coverage should be broadened to cover all persons who have a substantial attachment to the labor force including the 1.8 million persons in small firms who are not covered in 33 States and some of the hired farm laborers and other groups not now covered.

"2. The maximum duration of benefits should be increased to at least 30 weeks in a benefit year in all States. Provision should be made for longer duration whenever the average unemployment in a State reaches recession levels of say 6 to 9 percent.

"3. Steps should be taken to establish an equalization fund in order to reduce the excessive costs of unemployment insurance in States suffering from a high incidence of unemployment caused by national economic conditions.

"4. The great majority of eligible claimants should receive at least one-half of their normal full-time gross weekly earnings. States and employers should be given a period of 6 years to accomplish this objective. The great majority of eligible claimants in a State should receive at least 40 percent of their normal full-time gross weekly earnings for the first 2 years following the effective date of the standards; for the next 2 years, not less than 45 percent, and after that not less than 50 percent. In order to provide benefits at these levels, States would have to make changes in their benefit structure including increasing the maximum weekly benefit amount.

"5. The Federal temporary unemployment compensation law which expires March 31, 1959 should be extended until permanent Federal standards and supporting State legislation are enacted to improve the benefit duration and financing arrangements of State laws.

"6. Since a major impact of the recession was on younger workers with families, it was especially unfortunate that most State unemployment insurance laws did not provide for benefits in relation to the number of dependents. Only 11 States had such provisions.[1] Dependents benefits should be included as an integral part of each State unemployment insurance program.

"7. Because a social insurance system does not protect all individuals from want during extended periods of unemployment, Federal and State funds for direct relief should be made available to assure all needy persons a floor or protection against want in all localities. Such a program should be designed to assist individuals to become self-supporting."

During the late 1930's, the unemployment compensation system served its purposes well. No State at that time paid unemployment benefits of less than 50 percent of the average weekly wage in the State, and in most States unemployed workers received from 60 to 90 percent of the State's average weekly wage in benefit payments. However, over the years the States have found it difficult or impractical to modify their laws to keep the program up with current wage and price levels. In a program of this nature, individual action by a single State to increase benefits and therefore increase its taxes upon employers inevitably results in a competitive disadvantage to that State. As a result, the benefits paid to workers out of a job today are geared to price and wage levels prevalent in the 1930's. In very few States do most unemployment insurance recipients receive as much as 50 percent of their previous weekly wages. In some cases the percentage is as low as 30 percent. Today the average production worker receives $88 per week. But his average benefit when he becomes unemployed is $30 per week. In some States the average benefit is as low as $21 per week and the most he can get is $26 per week.

It takes no expert in family budgeting to realize that present State unemployment benefits fail miserably in providing the wherewithal in maintaining even a modest standard of living with today's prices. Aside from the serious impact on the welfare of families and individuals, the overall effect on our complex and inter-dependent economy is even more serious. The butcher, the baker, the insurance salesman, the doctor, the mortgage holder—all of these and many more depend, for their economic health, upon the maintenance of consumer income.

The startling inadequacies of the present system is illustrated by the fact that with almost 5 million unemployed less than 3 million are drawing benefits. Too many workers are not even covered by the law. Too many others have been out of work for so long they have exhausted their benefit rights.

The law extending benefits for 3 months is only a pretense at a solution. It will inevitably result in more temporary laws and more problems. As a temporary expedient it seeks to patch a cover for the economy which is so threadbare it cannot provide the protection for which it was designed.

On Monday the President called a conference of eight Governors who were members of the executive committee of the Governor's conference. At the conclusion of this conference, they issued a release stating that they favored adequate Federal advances to meet emergencies where the problems of unemployment are beyond the ability of the affected State governments but that the discretion now vested in the States to set eligibility, adequate benefit amounts and the duration of benefits should be preserved. The Governors attending the conference emphasized, however, that they were merely expressing the concensus of the views of the individuals participating in the meeting and were not authorized to speak for members of the conference not present at the meeting.

In order to obtain an additional cross section of opinion, I addressed a telegram to 23 additional State Governors from both manufacturing and agricultural States. I have thus far obtained 13 responses to this telegram. Twelve Governors strongly supported S. 791, the bill to establish minimum Federal standards of unemployment insurance introduced by Senator McCarthy, Senator Case and myself, and cosponsored by 31 other Senators. The one response that did not strongly support the bill gave it qualified approval.

I am firmly convinced that the only permanent solution to a constantly recurring crisis resulting from an inadequate unemployment compensation program is a permanent law with adequate standards such as those contained in the Kennedy-McCarthy-Case bill. In 24 years it has been conclusively demonstrated that we cannot expect the individual States to individually resolve the problems created by a Federal law that is deficient in omitting benefit standards and is inadequate in the coverage it offers.

Mr. JAVITS. Mr. President, I am a cosponsor, with the Senator from Minnesota [Mr. McCarthy], of this amendment.

I originally urged my colleagues, particularly those from the industrial States, to vote against the McNamara amendment.

The difference between the McNamara amendment and the pending amendment, which I have joined the distinguished Senator from Minnesota in sponsoring, is that the former would allow the inclusion of unemployed who now are receiving unemployment compensation under State programs, but whose entitlement will expire after April 1 and before June 30, under the present program.

The pending amendment will not allow them to come under the Federal program. Hence, I think it essential that the pending amendment be adopted if we take the position—which I feel we should take, regardless of party—taken by Senators from industrial States; namely, that the Federal Government must take up the slack of the unemployment.

This program is not strictly one which will taper off in the case of those who already are covered; but it is one in which we endeavor to deal with the unemployment situation which now exists, which I consider to be at the high-water mark, because it has gone down only very little from the high point of the recession.

Accordingly, I strongly commend the pending amendment as the proper middle-of-the-road course; and I urge Senators from industrial States, regardless of their party, to support the amendment.

In the view of some of us, the McNamara amendment dealt with the problem of States which have very good unemployment compensation programs of their own. However, today some of the States do not have such programs; and we prefer to adopt a Federal standard in connection with such a program, rather than to proceed in the ad hoc way of providing a temporary program to deal with unemployment. The support for the latter is understandable; but I believe it important that the pending amendment be enacted into law, because it seeks to deal with unemployment which exists throughout the country, rather than simply to treat this problem as one which has substantially ended. I believe my colleague has emphasized the fact that the problem continues; it has not substantially ended. We are now trying to provide for taking care of the problem of unemployment until it is substantially ended—as we hope will occur—or until we can make further provision in this connection.

Mr. President, I am very much honored that the Senator from Minnesota [Mr. McCarthy] has allowed me to join him in sponsoring the amendment.

Mr. McCARTHY. Mr. President, I yield the floor.

ADMISSION OF SPAIN INTO NATO AND USE OF ITS TROOPS

Mr. BRIDGES. Mr. President, it was revealed last week by Gen. Maxwell D. Taylor, Army Chief of Staff, in testimony before the Senate Preparedness Subcommittee, and made public by the

[1] Alaska, Connecticut, District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Nevada, North Dakota, Ohio, and Wyoming.

Defense Department, that Gen. Lauris Norstad, American military commander in Europe, has asked for Army, Navy, and Air Force reinforcements from the United States to meet the threat over the Berlin situation.

Mr. President, there is a logical answer to this request without calling for additional American military forces. I refer to Spain. Spain is a member of the United Nations. Common sense dictates she should also be a member of NATO. Spain was one of the first nations to resist Communist aggression. Communists have never had a foothold in that country since Spain fought so bitterly and so tragically the Communist attempt to infiltrate and conquer her.

No argument has ever been advanced, either in a military way or strategically, that Spain would not add greatly to the strength of our military power on the European Continent.

On April 12, 1957, House Concurrent Resolution 115, calling upon the President and the Secretary of State to do everything possible to bring Spain into NATO, was adopted unanimously by both Houses of Congress. There have been more than 40 resolutions adopted by the Senate and in excess of 70 resolutions adopted by the House favoring Spain's admission to NATO.

I ask: Can we afford in these critical times not to press for Spain's admission to NATO, considering the fact that all of us should be united in meeting the Communist menace confronting us?

Spain is a maritime nation, which dominates the entrance to the Mediterranean. Her mountains serve as a natural barrier protecting its northern European boundary. We have recognized these advantages by our large financial investment in a series of military and naval bases on Spanish territory.

Spain has available 15 divisions, fully mobilized and excellently trained. Their morale is high. Spain now has F–86 Sabre jets and, with U.S. Air Force assistance, is becoming one of the best air arms in Europe. This is testified to by U.S. officers.

The entry of Spain into NATO would not only add materially to European defense, but would integrate more closely the economy of that country with that of other European nations, which would be of benefit to all.

Spain has mutual defense pacts with the United States and Portugal. Portugal is a member of NATO.

Spain, in case of an emergency, naturally would be allied with all the NATO countries.

Here is an answer to the need for reinforcements. Admit Spain to NATO and add her contribution to the peace and stability of the free world.

Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire.

PRESERVATION OF FREE BERLIN AND ALLIED RIGHTS IN GERMANY

Mr. BRIDGES. Mr. President, before the Senate recesses over Easter week, I should like to address myself to a subject which is of the greatest concern to all the free countries of the West—the preservation of free Berlin and allied rights in Germany.

First, I should like to extend my congratulations to my colleagues on both sides of the aisle who have spurned all opportunity for political advantage on this issue. Regardless of party affiliation, we have all stood together as true Americans with only one objective: to preserve the position of the West and to meet our obligations to free Berlin and free Germany. The Congress has acted well, as have the executive departments, in this serious matter.

Our position has been right. I believe the American people agree it is right and are supporting our determination to stand up for our rights and defend them.

This is not a crisis of our making. The Soviet Union created this dangerous situation by threatening to abrogate its solemn agreements and undertakings.

These undertakings are clearly established by the treaty providing for the occupation of Berlin and Germany. The governmental machinery and the execution of the treaty have been set for 14 years by precedent established by the occupying powers.

On one other occasion the Soviet attempted to break the treaty and its pledges by denying us free access to West Berlin. We all recall the allied response to this blackmail. The Berlin airlift will long remain a symbol of the resolve and resourcefulness which the allies employed to defeat the Russian threat.

In these anxious days, the allies are once again exploring ways to achieve a peaceful, honorable—and I stress honorable—settlement of this latest Soviet challenge. President Eisenhower and Prime Minister Macmillan earlier this week concluded their private conversations looking to common action to meet the situation. Of necessity, the detailed substance of these conversations has not been officially revealed.

But apparently the talks enhanced the possibility of a Big Four foreign ministers' meeting in May, as a forerunner to a possible summit conference with Premier Khrushchev in the summer.

I am encouraged by the fact that, before undertaking to meet with Soviet leaders, the allies are doing the necessary spadework to achieve common agreement and a united front. Next week, for example, the British, French, and West German foreign ministers are scheduled to meet in Washington with Acting Secretary of State Herter.

Irrespective of whether a foreign ministers meeting or a summit conference takes place, whatever discussion the allies hold among themselves will, in my opinion, be all to the good.

The closer we and our allies become on our mutual Berlin policies, the better the prospects for meeting the Soviet challenge.

Any cracks that may now exist in the allies' shield regarding Berlin ought to be thoroughly repaired before negotiations begin with Soviet leaders. Past experience shows quite clearly how skilled are the Communists in finding the weakest chink in our armor and exploiting it to the utmost.

Our professions of firmness must be backed up with well thought out and strongly supported proposals and counterproposals. We must have jointly agreed plans for action in event of a number of contingencies. This is a part of what I consider proper and adequate preparation for either a foreign ministers' meeting or a summit conference.

United we will be formidable adversaries in the diplomatic skirmishes ahead.

Khrushchev and his advisers are credited with being shrewd men. If that is so, they will be quick to recognize allied unity, and quick to notice any allied disunity. This is why the West must speak with one voice in the approaching Berlin crisis and in meetings with Soviet leaders.

I suggest the voice of the West should be a voice of cool determination to make no surrender of principle or position of strength. In our negotiations, I suggest we must not yield on principle, though we can properly yield on procedures and details.

To date, the West European allies—France, England, and Western Germany—and our own great Republic have again provided vivid proof that representative governments can face crucial problems and sudden crises in friendly and effective accord. Free and full debate of free peoples and free governments should not be misunderstood by monolithic Communist governments as in any way weakening our resolve to do whatever is necessary to preserve our integrity and assure our survival.

Mr. President, we of the West do not bluster. We do not threaten. Neither do we cajole nor beg.

Let us not forget their self-made crisis poses great risks for the Soviets as well as for the free world.

United the allies can keep the pressure on the Soviets.

Divided we would minimize the risks to the Communists.

Our position is that we are perfectly willing to study the Soviet viewpoint, to make reasonable accommodations, to be flexible in negotiations.

At the same time, we are not fools. We will not negotiate away our position so dearly won with the blood of American boys. We do not intend at the bargaining table to make concessions which can only weaken us in the years to come. That would be piecemeal surrender.

It seems imperative to me to inject a note of caution regarding negotiations with the Soviets, whether the negotiations be at the summit or in the valley. The leopard has not changed his spots. We cannot safely entertain any illusions that the Soviet Premier has undergone a change of heart. So we should not expect too much from such negotiations. We should not expect an arch foe to become filled with brotherly love.

Nevertheless, we can ever be hopeful that a united, firm allied position will help persuade Premier Khrushchev of the advantages of honoring the treaties his government has entered into. We can be hopeful that the men in the Kremlin will see the error of their threats and intimidation.

We certainly do not expect these negotiations will come to easy and pleasantly satisfactory conclusions.

Whatever the outcome, I am confident the allied peoples are intellectually and spiritually capable of facing the true facts. Our leaders will freely tell us the facts, our press will freely print the facts, and our radio commentators will freely discuss the facts—knowing we the people have the stamina and the courage to face the facts and not tremble before them.

It is unthinkable that any partisan would take political advantage of an unsuccessful summit conference. Therefore, there should be no temptation to make concessions at the summit for domestic political advantage. There should be no political liability attached to a failure to reach full agreement at the summit at this time.

We do not expect our leaders to come back with easy or unreal victories. Experience of recent history has amply prepared us for disillusionment. If these negotiations fail to resolve all the problems of Berlin and of Germany, we will not be dismayed. We shall be disappointed, but our disappointment will take the form of even deadlier determination not to sacrifice basic principles.

To restate the position very simply, and I hope very firmly, we must make the most vigorous preparation to defend our position in Berlin and in Germany.

Neither war, nor the threat of war, will dissuade us or divert us from our firm duty.

Berlin and the people of West Germany must remain free under a government of their own choosing. We will not make any compromise on fundamental position. Neither threat, subversion, nor chicanery will divert us.

Any negotiations we enter into, any changes we make from the Four Power occupation now provided must leave us without any disability in our commitment to a free West German Republic.

I consider it to be one of the great privileges of my time to sit in the U.S. Senate and to be a member of this Government and of the free West resisting the Communist threat to our position in Germany.

I am proud to be an American. I am proud of the American people, who face the threat without fear or tremor—quiet, unafraid, and determined.

The tribute I pay to our Government and our people, I also pay to our allies. It is a cheering and heartening and inspiring experience to find the great democracies of the West responding together to a threat to one of their number.

If we had similarly banded together to resist the constantly encroaching conquest of the Soviet Union in the early years after World War II, the situation today would not be so difficult.

We have all learned from bitter experience that appeasement is no solution. We have learned about Soviet intentions. We have learned how to resist Soviet aggressive moves. The very ruthlessness of the Soviet conquest has been a great educational force in the free world of the West. Knowing our opponent and his objectives, we can concert our forces and our energies to see that right shall prevail.

THE AREA REDEVELOPMENT ACT

Mr. BUSH. Mr. President, as a member of the Joint Economic Committee of the Senate and the House, I was interested to see recently in the Washington Daily News an editorial entitled "Distress Compounded." The editorial has to do with the Area Redevelopment Act, but the principal thing that caught my eye in the editorial was the following paragraph, speaking of the minority views of the Committee on Banking and Currency on the area redevelopment bill:

> Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DISTRESS COMPOUNDED

Now before the Senate, following a squeaky OK by the Senate Banking Committee, is another one of those hurry-up patch-up, prop-up bills supposed to cure the economy of some of its ills.

This measure melodiously is known as the Area Redevelopment Act. It is a bill to bail out a hundred or so communities listed as victims of chronic unemployment.

The question is not whether these communities are hard hit. No one denies that. The question is whether the bill, if enacted, would be any help.

Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

It flies straight in the face of a free-swinging flexible economy. Its ponderous machinery would raise unfounded hope. And its ultimate cost—like most such Washington proposals—would range far beyond its most optimistic prospect of usefulness.

It is discriminatory, the minority points out, because at the most it would affect only a small fraction of the unemployed, while probably creating more unemployment in other areas. The initial outlay of less than $400 million eventually would run to $4 billion or $5 billion.

It would create another sprawling Government agency, added to others already in this field.

The bill is founded on the identical illusions which led to 25 years of subsidies for a few special farm products. It will lead to exactly the same result—disrupted markets, billions of taxpayer money wasted, and an economy blighted by Government interference.

TESTIMONY OF MARRINER S. ECCLES BEFORE JOINT ECONOMIC COMMITTEE

Mr. BUSH. Mr. President, this morning before the Joint Economic Committee we had the privilege of hearing Mr. Marriner S. Eccles, who for 14 years was a member of the Federal Reserve Board and its Chairman. I consider the statement by Mr. Eccles made before the Joint Economic Committee today to be one of the finest statements which has been made before any committee while I have been a Member of the Senate. Accordingly, I ask unanimous consent that the statement by Mr. Marriner Eccles be printed at the conclusion of my remarks in the body of the RECORD.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I particularly invite attention to what Mr. Eccles says about the long-term interest rate:

> The long-term interest rate is not greatly influenced by the monetary policy of the Federal Reserve.

To those who complain in the Senate from week to week about high interest rates I commend very strongly this message from Mr. Marriner Eccles. He has had 14 years of experience on the Federal Reserve Board and certainly is in a position to look at this situation objectively, which he has done. Mr. Eccles' statement in connection with interest rates in his testimony today is worthy of the attention of all Senators.

I also invite the attention of Senators to what Mr. Eccles says about the subject of creeping inflation. He stated:

> It has been said that creeping inflation is the best answer to this dilemma. I do not believe it is any answer, for the reason that the cornerstone of capitalistic democracy rests upon the savings of the public. These constitute the principal source of capital accumulation upon which the growth of our system depends. Why should anyone buy life insurance or annuities, Government or municipal bonds, utilities or railroad bonds, mortgages, or any other kind of fixed interest-bearing obligations payable at a future date in dollars depreciated at the admitted creeping inflation rate of 2 to 3 percent a year? For the Government to sell such obligations and to permit conditions to develop where not only their obligations but all other fixed dollar obligations are being paid, including interest, in dollars depreciated from 2 to 50 percent, depending upon the maturity dates—is to say the least immoral if not downright dishonest.

I have quoted two passages from the testimony of this distinguished gentleman, and I earnestly recommend that the statement by Mr. Eccles be studied by all Members of the Senate, since it will be printed in the RECORD following my remarks.

In conclusion, Mr. President, I wish to invite attention to the remarks made on the floor of the Senate yesterday by the distinguished senior Senator from Utah [Mr. BENNETT]. His remarks were partially in answer to those of the distinguished Senator from Tennessee [Mr. GORE] of a week or so previous, but I found the remarks of the Senator from Utah to be a complete answer to those of the Senator from Tennessee. I am delighted that the Senator from Utah promises we shall hear more from him in connection with this important subject in the very near future.

EXHIBIT I

STATEMENT BY MARRINER S. ECCLES BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. Chairman and members of the committee, I was complimented, and thus too easily persuaded, by a telephone conversation with the chairman of your committee, to accept an invitation to appear here today. Due to the short notice, and many other commitments and responsibilities, I have had little time and no staff to help me prepare a statement that would do justice to the importance of this committee and the economic inquiry it is undertaking. This inquiry aims to cover three objectives: "To provide substantially full employment; to achieve an adequate rate of economic growth; to maintain substantial stability in the price level and thus prevent inflation." The trick, however, is to reach these objectives under the system of democratic capitalism. I, for one, do not believe in the millennium, which does not mean, however, that we should not set our sights high, far beyond our present achievements.

There has been no economic subject which has been more fully discussed, and with disappointing results, by the Government as well as many other groups of our society and also every other democratic country. There is little, if anything, that I might add to what has been presented to this committee by an extremely able staff and outstanding experts who have preceded me. The documentation and statistical information has been so formidable that I neither knew where to begin or end. I, therefore, decided that possibly my greatest contribution to this inquiry would be to add nothing further to your confusion—lest it should equal mine. But, seriously, I have never ceased to be deeply concerned about the problems under consideration and their inherent complexity. I profoundly wish that I could make some real contribution to their solution. However, the short statement that I make and the interrogation which may follow, I hope may, at least, help to clarify some of the aspects of the dilemma with which we are confronted.

In this inquiry, we should recognize that our objectives of full employment and an adequate rate of economic growth are also the Communist goals. We must concede that there is no unemployment in Russia and China—and they are achieving a startling rate of economic growth. The stability of the price level or inflation is not vital under their system because they are not concerned about profits, wages, fringe benefits, or savings. And, neither are they concerned about the freedom of the individual—which is the very cornerstone of our society.

I have said it before, and want to say again, that to achieve our objectives will always be a source of great political and economical controversy because everyone wants a greater share of the economic pie than it contains. Government and other public bodies want more money to spend—the leaders of organized labor want more pay and fringe benefits for less hours of work—business presses for further profits—and increasing ranks of oldsters call for higher pensions. However, everyone expects these benefits in dollars of stable purchasing power. Unfortunately, all the economy has to divide are the goods and services it is able to produce—and not the amount of money it could create, which is, of course, limitless.

In our society, this situation is creating a dilemma for the Members of Congress whose constituents want easy money, lower prices, higher wages, greater profits, and fewer taxes. Only a combination of the Government, Congress, and the Federal Reserve can successfully deal with these diverse forces. To do this adequately it would be necessary for them to agree on the problems and have the courage to act, regardless of political conditions. This is possibly more than we can expect.

During the bottom of the recent recession, with more than 5 million unemployed and a large excess productive capacity, for the first time the country was confronted with increased wages and fringe benefits on the part of organized labor, and increased prices on the part of big business. In order to meet recession problems, the Government expenditures were substantially increased. This, together with the reduction in the tax intake, brought about by the recession, will create in the fiscal year of 1959 a cash deficit of about $13 billion. The Federal Reserve supplemented the Government's fiscal policy by an easy money policy which brought about a material growth in the money supply. Although the fiscal and monetary policy on the part of the Treasury and the Federal Reserve has brought about a rapid and substantial recovery, there are still over 4 million unemployed and considerable excess capacity. Notwithstanding this situation, new demands on the part of organized labor are in the offing—no doubt to be followed by further price increases.

The large Government deficit and the Fed's easy money policy, together with increased wages and prices despite the unemployment and idle facilities, has created a dangerous inflation psychology. This is reflected in the strength of real estate prices and especially in the soaring prices of stocks. Concurrently, we have seen the skidding market for bonds and mortgages—particularly the securities of the Federal Government. This developing situation caused the Federal Reserve to reverse its easy money policy—thus slowing down the growth of the money supply. On the other hand, the Federal Government is promising to bring about a balanced Federal Budget.

To continue an easy money policy and substantial budgetary deficits until the economy had reached its full potential of employment and production would inevitably bring about a serious inflationary situation. I do not believe it possible to have all of the freedoms which we demand, on a basis of stable prices and, at the same time, have full utilization of our manpower and productive facilities. The Communist world meets this problem by the sacrifice of the personal freedoms.

Our unemployment situation is very spotty. In some areas there is serious unemployment—some of which is no doubt due to union demands pricing the workers out of the market. In other areas, however, shortages are developing, particularly among skilled workers. Russia would manage this situation by moving the workers to where the work is, or would develop work where the people are—whichever was the most economically desirable. The wishes of the people would not be a factor in the decision.

It may be desirable for the Government to give assistance in those depressed areas where there is serious unemployment by making funds available where new industries can be developed or old industries be revived. This, however, can only be successfully done through the combined efforts of private enterprise and the local and State governments, assisted by the Federal Government. An extension of unemployment insurance payments, as a temporary expedient, seems to me to be indicated in the present situation.

I believe that the present inflationary dangers confronting the country call for the monetary and credit policy now being carried out by the Federal Reserve and the fiscal policy announced by the Government of achieving a balanced budget at the earliest possible date.

The Government's only source of income is what it takes from the economy in taxes and what it can borrow from the savings of the public. If this is insufficient, they must rely upon credit from the commercial banking system made possible by the Federal Reserve. This operation creates new money and, under present conditions, is inflationary. The Government is having great difficulty in refunding its huge maturities, as well as raising new money to meet its deficit—even though it is paying the highest interest it has paid for many years. This indicates that the public is losing confidence in the stability of our currency. This loss of confidence forces the Government to rely increasingly upon very short term financing through the commercial banking system with the assistance of the Federal Reserve—which only adds further to inflationary pressures.

The long-term interest rate is not greatly influenced by the monetary policy of the Federal Reserve. It depends primarily upon the amount of investment and savings funds available in the market and the choice made in how these funds shall be invested. The rates offered on bonds and mortgages have been going steadily up in an attempt to attract investment funds away from other markets. These funds are going into stocks and real estate at an accelerated pace in an effort to hedge against our depreciating dollar. From this situation it should be apparent that the Government cannot continue to finance heavy deficits unless it is to ignore the inflationary impact of such financing. It certainly cannot finance more than a $40 billion defense program (which, in my opinion, is beyond the needs for adequate defense), and at the same time meet all of the other demands made upon it—unless the American public is willing to further increase its tax burden. This, however, is already excessive when the total tax take—National and State—is considered.

We all recognize the many new economic and social problems which are crowding in upon our economy from every direction. These are due to the rapid population growth, as well as the need to maintain and improve our position of strength throughout the world. Worthy, as are the many programs the Government is called upon to sponsor and support, such as highway programs, foreign aid, health, aid to education, agriculture, conservation, and many others, the country does not have capacity to meet all the demands made upon it. The Members of Congress who are so willing to sponsor and vote for programs which unbalance the budget should be just as willing to vote for unpopular tax increases necessary to pay for them.

There is an increasing laxity and waste in the appropriation and expenditure of public funds. There always seems to be a tendency on the part of governments and public bodies to go on increasing expenditures and taxes, thus helping to feed the endless self-serving demands of their influential constituents—very often not in the public interest.

In my opinion, now is the time to face this budget problem. I realize that every appropriation represents a political struggle. Nevertheless, each should be considered only in the light of its present need and the real public interest. We all know there is a place in a budget of $78 billion for substantial economies in the aggregate. No doubt the defense program, which represents nearly 60 percent of the budget, is a good place to begin. It is hard for me to believe that a realistic streamlined program for adequate defense, eliminating duplication and obsolescence, would not strike plenty of pay dirt. Likewise, there needs to be a close reappraisal of the foreign aid program with an eye to eliminating waste, duplication, and greatly reducing its tremendous overhead. The huge and increasing cost of the farm program, running at a rate of more than $6 billion net this year, is no longer justified on any basis. A solution must be found which will greatly lessen this burden on the taxpayer.

If one can credit the reports in the press, a good place to set an example for economy would be in the White House where over $5 million is being spent this year to run that establishment, with a requested increase for next year of $332,000. This is more than twice the Truman budget for the same purpose during his last and most expensive year.

Further, the nepotism in Congress and other extravagances are shaking the public confidence in the good judgment of our lawmakers. I note that the chairman of this committee is aware of some of the extravagances and abuses since he proposes to sharply reduce the number of limousines and chauffeurs used by the Government from 99 to 35.

It is being said recently that an adequate defense is more important than a balanced budget. I don't believe they necessarily have any relationship. If we need a deficit in order to maintain economic stability because of a deflationary development, we should have a deficit—whether for defense or any other purpose. We may need a deficit without a large defense program to maintain production and employment, but we should not permit a deficit solely for the purpose of maintaining an adequate defense program if the effect of so doing is inflationary. Such a situation demands an increase in taxes or a reduction in other expenditures, or both, if the objective is stable money.

I have attempted to show, in a general way, the uses that can be made of the fiscal policy of the Government and the monetary and credit policy of the Federal Reserve to maintain economic stability. However, it is becoming increasingly clear that even with a balanced Federal budget, monetary and credit policy are entirely inadequate to maintain reasonably full employment and production, on the basis of stable prices. With the economy running in high gear there is little or no resistance to labor demands on the part of business, because business finds it easier to pass on to the public their increased costs. Competition for labor, as well as the products of big business, largely disappear under conditions of full production and employment. Under these conditions, unless the Federal Reserve curbs the growth of the money supply, or the Federal Government develops a substantial budgetary surplus, the wage-price spiral would continue with devastating inflationary effect. On the other hand, the dilemma is, that by curbing these inflationary pressures, recession is brought on with resulting unemployment and idle facilities.

It has been said that creeping inflation is the best answer to this dilemma. I do not believe it is any answer, for the reason that the cornerstone of capitalistic democracy rests upon the savings of the public. These constitute the principal source of capital accumulation upon which the growth of our system depends. Why should anyone buy life insurance or annuities, Government or municipal bonds, utilities or railroad bonds, mortgages, or any other kinds of fixed interest-bearing obligations payable at a future date in dollars depreciated at the admitted creeping inflation rate of 2 to 3 percent a year? For the Government to sell such obligations and to permit conditions to develop where not only their obligations but all other fixed dollar obligations are being paid, including interest, in dollars depreciated from 2 to 50 percent, depending upon the maturity dates—is to say the least immoral if not downright dishonest.

The reason the public has bought such a vast amount of insurance and saved tens of billions of dollars in other forms of fixed income is because they believed their Government would protect the integrity of their savings. The real danger confronting the country now is that our people, as well as foreigners, are beginning to expect creeping inflation and, maybe worse, that our Government will do nothing about it. Their preference for low-yielding stocks rather than high-yielding bonds and mortgages is an indication of their fears of further inflation.

Escalation has been suggested as a means of equalizing the depreciation in the purchasing power of the dollar, in the case of pensioners and owners of fixed income obligations. This is an interesting idea, but it constitutes built-in inflation. It takes away all restraint and would, therefore, accelerate it. And what would become of people and institutions that have bought in good faith, and own present outstanding obligations? And what would happen to the needed stability of the American dollar in the world market under these conditions—when it took more than $2 billion in gold last year to stabilize it?

Nothing is more urgent, unless it be an adequate defense, than to arrest the growing belief in the inevitability of inflation, and to organize our economic affairs so that faith in the integrity of our dollar be reestablished at home as well as throughout the world.

We all agree with the desirability of the objectives which this committee is considering—substantially full employment and an adequate rate of economic growth, while at the same time preventing inflation. However, I must confess that in the light of developments I see some formidable hurdles ahead, requiring courageous decisions by Government, if we are to have any degree of success in attaining them.

The leaders of the huge labor organizations and their affiliates, representing more than one-fourth of the working force, largely dictate the wages and fringe benefits without control of any kind, in all of America's basic industries. Through their monopolistic power they have been able to wring from the economy benefits far in excess of their contribution to it. These excess benefits have largely been passed on to the public in increased prices. This development is and for some time has been the principal reason for inflationary developments. I understand that the steelworkers union, numbering 1,250,000 workers, will demand from the steel industry when its present contract expires June 30, a billion-dollar package as a price for renewing its contract. If all of the other workers of America—more than 65 million—were to demand and receive these same benefits it would add $52 billion to the costs of goods produced. There would be nothing creeping about the resulting inflation.

The rate of growth in national productivity should be the basis of wage increases and fringe benefits. This is in the range of from 2 to 3 percent annually. Such limits would permit a just share of productivity gains to go to the consumer, and leave a fair return on invested capital without increasing prices.

It may be expected that the employer could and should absorb most of these added costs; however, let us consider what the amount of business profits are and what happens to them. According to a study by the 20th Century Fund, total wages and salary disbursements were 50 percent of the national income in 1929—and 73 percent of it in 1955—whereas dividends decreased over the same period from 5.8 percent to 3.9 percent of that income. The workers' share of the national income from 1950 to 1957 increased by 10 percent—whereas the business share, represented by profits of all corporations, has decreased by 33 percent. It is apparent from these figures that business cannot absorb out of profits, as organized labor contends, increased wages without increasing prices. Retained corporate earning is the greatest source of new capital for industry.

If corporate profits were eliminated, as is the case in a communistic society, there would be very little difference in the prices paid by consumers for goods and services. Corporate profits, after income taxes, amount to about 6 percent of the national income. Approximately one-half of this amount, or 3 percent, as disbursed as dividends. The balance, or 3 percent, is retained in the business. Of the dividends disbursed, it is estimated that the Federal Government collects between 1 and 1½ percent, leaving the remainder to the shareholder to spend, or to save.

If the corporations and their shareholders did not exist, the amounts collected by the Government from them in taxes, and the amount retained in the business, would have to come out, in one way or another, of the national product. Therefore, the total consumer purchasing power would not be increased more than 1½ percent—2 percent even if business profits were eliminated entirely. I think this is an extremely cheap price to pay for the benefits we reap from the system of capitalistic democracy.

It should be apparent that unless the Government and the Congress has the courage to control the rapidly growing monopolistic powers of organized labor, further inflation is inevitable. The only alternative is to stop the growth of the money supply; ultimately bringing with it heavy unemployment and idle facilities.

We cannot tolerate having private groups dominate our Government and our economy by means of organized monopolies. For a few men at the top to exercise such power in effect constitutes a private dictatorship of public policy and must, in the interest of our country, as well as in the real interest of the rank and file of labor itself, be courageously dealt with by both political parties. This can no longer be considered a party issue. It has assumed the proportions of a national issue, almost as important as defense.

In closing, I wish to thank the committee for the opportunity of appearing here today. I realize that my statement is very sketchy and leaves much to be said on all of the issues discussed. It does, however, have the merit of raising many very controversial questions. I do feel that it is necessary to face up to the basic issues, whether popular or unpopular, and that this is neither the time nor the place for timidity.

This committee has great power and prestige and I believe it will stand up to its responsibilities and not permit itself to be intimidated by fear of political retaliation from any source, nor are its members likely to be lured away from basic principles by shortrun interest and attractive promises.

Mr. MOSS. Mr. President, I have not had the benefit of hearing or seeing the testimony of Mr. Marriner Eccles, as now submitted by the Senator from Connecticut, but he is an outstanding citizen of my State of Utah. Mr. Eccles certainly is one of the leaders in the fiscal field in the United States.

I join with the Senator from Connecticut in urging the Members of the Senate to carefully read the testimony. Mr. Eccles has been a close friend of mine for many years, and I value his counsel at all times. I am certain I would in this instance.

Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

COMMENDATION OF ROSEL HYDE

Mr. MOSS. Mr. President, the Utah Broadcasters Association is an organization concerned with television and

radio broadcasting. Recently that organization in convention adopted a resolution having to do with the reappointment of Mr. Rosel Hyde to the Federal Communications Commission. Mr. Hyde is a personal friend of mine whom I have known for many years.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the members of the Utah Broadcasters Association have asembled this 21st day of February 1959, for their annual meeting; and

Whereas the Honorable Rosel Hyde has served the radio and television industries long and well as a competent public servant in the Federal Communications Commission, having served impartially and with great discretion and wisdom in the office; and

Whereas Rosel Hyde has gained the respect and admiration of those engaged in the broadcasting and telecasting industries and is regarded by the broadcasters of Utah as one whose ability, character, and unique knowledge of the operations and problems of the broadcasting industry are such that the industry and the public are greatly benefited by Mr. Hyde's services as a Commissioner in the Federal Communications Commission; and

Whereas the Utah Broadcasters Association is cognizant of the fact that the term of office of the Honorable Rosel Hyde, as a member of the Federal Communications Commission, is soon to expire: Now, therefore, be it

Resolved, That the Utah Broadcasters Association, in convention assembled this 21st day of February 1959, affirms its appreciation for the outstanding performance and service to the radio and television industries by Rosel Hyde as a member of the Federal Communications Commission; and be it further

Resolved, That the Utah Broadcasters Association go on record as declaring that the Mountain States area should be represented on the Federal Communications Commission, and respectfully urges the reappointment of Rosel Hyde; and be it further

Resolved, That this resolution be spread on the minutes of this, the annual meeting of the Utah Broadcasters Association, and that a copy of said resolution be sent to the President of the United States.

UTAH BROADCASTERS ASSOCIATION,
JAY W. WRIGHT, *President*.

Attest:

ARCH G. WEBB,
Secretary.

SPEECHES BY WEST VIRGINIA SENATORS REGARDING DEPRESSED ECONOMIC CONDITIONS IN THEIR STATE

Mr. NEUBERGER. Mr. President, I desire to comment briefly on the outstanding job done in the Senate by the two distinguished Senators from the State of West Virginia [Mr. RANDOLPH and Mr. BYRD] in bringing to our attention the grave economic conditions confronting their State. This was accomplished during the debate over the area redevelopment bill. Although my own State of Oregon has suffered economically because of the lumber crisis brought on by a reduction in new housing starts, I nevertheless was shocked to hear of the West Virginia communities where whole populations have been stranded and left destitute of adequate financial resources. This is a challenge to the entire Nation, and it is a national responsibility. Our colleagues from West Virginia [Mr. RANDOLPH and Mr. BYRD] have presented their case with dignity, with ability, and with the facts. Their people are fortunate to be represented so ably in this Chamber.

INFLATION AND A BALANCED BUDGET

Mr. MONRONEY. Mr. President, an enormous number of words have been spoken on the floor of the Senate or written in the statements emanating from the White House and the Government departments about the effect upon inflation of an absolutely balanced budget. Many of us on the floor of the Senate have protested against the tight-money policy and against the ever-increasing high interest rates, largely created by Government edict and by legislation urged upon the Senate by the administration.

The word has gone forth to the public that the only way we can prevent inflation is by having the budget balanced to the last penny.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GORE. Insofar as an influence upon inflation is concerned, an enormous budget surplus or an enormous budget deficit would be necessary to have any appreciable effect. A budget surplus of a billion dollars or a deficit of a billion dollars would have practically no effect at all upon the price level.

Mr. MONRONEY. The Senator is exactly correct. I should like to read from the editorial of March 12, published in the Journal of Commerce, which I intend to have printed in its entirety in the RECORD. I think this is exactly in line with the point the Senator from Tennessee has made. The editorial declares:

> In examining the inflationary impact of debt, it is the total of new debt creation that has to be looked at, not just the Government deficit. This is a fact the administration appears to have forgotten.

In other words, whether there be a deficit of $1 billion, $2 billion, or $3 billion in Government spending, there should not be overlooked the inflationary impact of the creation of commercial debt, which may run as high as $50 billion or $100 billion. The oversimplification, or attempt to cure the inflation danger we have merely by a "witch doctor's remedy"—screaming that only a balanced budget will give us protection against inflation—places us in grave danger as a result of ascribing the cause of inflation to the wrong germ.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GORE. One need not favor an unbalanced budget to recognize that a balanced budget theoretically has no effect up or down on the price level.

Mr. MONRONEY. The Senator is correct.

Mr. GORE. It would be only a very large budget surplus which could have a repressive influence upon the price level to any considerable extent. Merely to say that the whole battle against inflation and rising prices is to be won or lost by a teetering balancing of the budget is utterly unrealistic.

Mr. MONRONEY. It further emphasizes the fact that everyone, including the administration, knows that the President's budget is strictly for political purposes. It is not a realistic budget. It anticipates revenue from a 5-cent postage stamp, which any realistic Member of Congress knows will not be voted. It anticipates other tax revenue in the way of consumer taxes which every realistic Member of Congress knows will not be added. Yet the cry goes out, in hundreds of millions of publications, that the President's budget is balanced. It could be balanced only if Congress were to enact new legislation, which it is not likely to do, and there are very few signs from the Republican Party to indicate that its members even intend to try to obtain the revenue which the President has assumed in order to achieve his "balanced budget."

There will be a damaging effect by reason of creating the idea that if the budget is "unbalanced," inflation will occur. That is dangerous, because it drives away investors. It drives away people who are planning expenditures. It tightens the money supply and reserves it for future lending. Many other deleterious effects will result from saying that inflation will occur unless the budget is balanced to the precise penny, when any realistic man knows that a political budget cannot be balanced, and that the President and his party do not intend to try to balance the budget. They have left out hundreds of millions of dollars from the budget of 1960, shifting it over to 1959, with the result that there is an imbalance in that budget year of from $12 billion to $15 billion.

Apparently it does not matter to the President and other members of his party how much imbalance is created in 1959. Yet the budget of 1960, because it will be the budget which will be shown off in neon lights during a political campaign year, must be snow white. "Snow White" is a fairy tale, and so is the President's "balanced budget." The administration does not intend to do anything about it except to show it off for political purposes and, I am sorry to say, to mislead the people as to the true condition of their budget.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. GORE. Can the Senator explain how the price level would be affected, how the cost of living would be affected, how the monopoly of price increases would be affected, by a decision to extend $1 billion to the International Bank either on June 30 or July 1?

Mr. MONRONEY. The Senator has touched the very delicate political nerve connected with the budget. In the eyes of the present administration, apparently expenditures are not inflationary if they are made on June 30. But if

they should fall on July 1, they become dangerously inflationary. I am not familiar with the Wall Street school of economics, which seems to dominate this administration——

Mr. GORE. Just how would the cost of living be affected, whether the expenditure was made at all, or whether it was made in June or July? How would the price of groceries be affected?

Mr. MONRONEY. There would be no effect so far as raising or diminishing the cost of bread, butter, bacon, or beans is concerned. Yet the administration's budget bookkeeping system allows Snow White, in all her pristine glory, to be shown off to the world as a long-delayed balanced budget, which this administration says it has finally achieved.

But as we draw nearer to it, we see the impossibility of the President ever realistically driving for the revenue necessary to attain a balanced budget within his own estimates, even if Congress did not increase it one thin dime.

Because of the importance to the Nation's economy, and as proper guidance to sane thinking on this subject, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "A Matter of $2 Billion or $3 Billion," published in the New York Journal of Commerce for March 12, 1959.

It exposes the phony nature of the President's budget, which we have been so strongly urged not to "unbalance," for fear of creating an overwhelming degree of inflation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MATTER OF $2 OR $3 BILLION

The administration keeps walking farther and farther out on that well-known limb with its every fresh assertion that the Federal budget must be kept in precise balance if this country is to avoid a renewal of inflation.

The fact of the matter is, barring the wholly unlikely eventuality that 1959 turns out to be a boom year of 1955 dimensions, that the 1960 budget is going to be unbalanced. A boom could produce enough additional revenue to put the Government in the black for fiscal 1960, but spending, regardless of economic conditions, is bound to exceed the budgeted $77 billion. This will happen because Congress will have it that way; because the administration based its every estimate of outgo on the happiest possible assumptions, and some of them are bound to turn out wrong; and because there is evidence of plain hanky-panky in some of the budget figures, such as the maritime subsidies.

Government leaders surely know this as well as we do, yet all of them, from the President down, keep warning of terrible inflationary consequences if there is a deficit, however small. They are doing this, quite obviously, because they hope to scare Congress out of voting additional spending programs.

But it would appear that the administration has never stopped to consider the fact that it is helping to create the very thing it is seeking to avoid—inflation—by this constant equating of a deficit with inflation.

The day of reckoning may come soon, and certainly not later than August or September, a few weeks after Congress has completed action on the last appropriations bill, when the Bureau of the Budget publishes its annual revised budget estimates. If the revision indicates a deficit, as we believe it surely will, the administration's response can only be one of two things, neither of them very pleasant to contemplate.

It can say, in effect, "Shucks, Mr. Citizen, Mr. Investor, Mr. Businessman, we didn't really mean it. A deficit of this size isn't really going to hurt much."

Or it can say, "Well, we warned you and now it has happened. Congress unbalanced the budget and prices are going to take off into the upper stratosphere."

Obviously, some version of the former, rather than the latter, is the line which will have to be adopted. But it may not be believed in the light of all that has been said in the past, and the financial markets, business and the public may begin behaving as though inflation were inevitable—thus helping make it inevitable.

Even if the public accepts the administration's sudden assurances that all is going to be well after all, real damage will have been done, because no future warning of inflationary danger will be credited. This is no small point. In the calendar year 1960, unlike this one, economic conditions may be such that a balanced budget actually will be crucial to the prevention of inflation. And 1960, as everyone knows, is a presidential election year and therefore a year in which it will be difficult, indeed, to hold the congressional spenders in line.

There are those (including one member of the Eisenhower Cabinet) who have chided us for not joining in the fight for a budget balanced to the last penny, and asked why, as a conservative newspaper, we are not more concerned about the inflationary consequences of an imbalance.

This newspaper's unyielding opposition to even a little bit of inflation ought to be fairly well known by now. But as a conservative newspaper, we have always taken seriously our obligation to think straight on economic issues. It just isn't that to hold that a deficit of $2 or $3 billion would pitch this economy into inflation.

Such a hypothesis implies the single factor which dictates the trend of prices is the Federal budget. Not so. The economy must be looked at as a whole and present conditions are not inflationary. It is an increase in the money supply, basically, which creates inflation, and the Federal Reserve—having learned a lot from its errors in 1953 and 1954—maneuvered through the late recession without allowing any important increase in the money supply and then pulled the reins tight again almost at the first sign of recovery. In addition, there is little reason to believe that consumer or business borrowing is going to expand to any dangerous extent this year. There is small prospect of any strong pickup in business spending for capital equipment until fall or later, and plenty of retained earnings in hand to finance what pickup there is.

In examining the inflationary impact of debt, it is the total of new debt creation that has to be looked at, not just the Government deficit. This is a fact the administration appears to have forgotten.

To be sure, the administration should try for a balanced budget because there is moral worth in pay-as-you-go in reasonably good times. We agree with that. We should limit Federal spending because there is danger in constantly increasing the centralization of power in Washington. We agree with that.

We ought to balance the budget in 1960 so we can have a tax cut next year. We hope conditions will be such that we can agree with that.

Washington ought to stop telling us that the budget has to be balanced to the last penny because otherwise uncontrollable inflation will result. We know better, but many people will be persuaded if administration spokesmen keep saying it. And therein lies the danger.

EXTENSION OF TIME OF RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. MCCARTHY] for himself and other Senators.

Mr. BYRD of Virginia. Mr. President, I rise to oppose the pending amendment. This amendment would add $105 million to the cost of the program. It is true that that money has been appropriated, but the budget did not anticipate the expenditure, and for that reason it would affect the budget to the extent of $105 million.

I wish to speak very seriously to Senators who favor the bill. The House is in recess, waiting upon the Senate for action on the bill. If the bill is amended in substantial fashion, as is now proposed, it is my opinion, as Chairman of the Senate Committee on Finance, that we shall be unable to have a conference, because one objection on the floor of the House would prevent a conference on the bill. If there is no conference, of course, the bill will die. Under existing law the time limit is April 1. After that date is passed, it will be impossible to enact retroactive legislation.

As chairman of the Senate Committee on Finance, I wish to absolve myself from all responsibility for the defeat of the bill by reason of the fact that the House will probably not act upon it if it is substantially amended. One objection could prevent action on the bill. It would have to go to conference, and conferees would have to be appointed on both sides.

The information which I have does not come directly from those who will be on the conference committee; but I am advised that there is very serious danger that the House will not consent to a conference at this late date. Failure to go to conference will mean that the bill will be defeated; and, once defeated, it cannot be made retroactive when Congress reconvenes on April 7.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. ALLOTT. What the Senator has just said is very impressive. I should like to state the situation in another way, and obtain an answer.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRUENING. Who has the floor?

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] has the floor.

Mr. ALLOTT. The Senator from Virginia yielded to me for a question.

Mr. BYRD. I yield to the Senator from Colorado.

Mr. ALLOTT. The purpose of the bill before the Senate, providing for an extension, is to provide unemployment relief until the 1st of July, and to extend the provisions of the legislation which we passed last year so that those who are now unemployed, and who are in the status up to April 1, will have an opportunity to participate in unemployment benefits through to July 1. Is that correct?

Mr. BYRD of Virginia. The Senator is correct.

Mr. ALLOTT. If I interpret correctly the statement which the Senator from Virginia has just made—and I have great respect for his ideas on this subject—the adoption of the amendment, no matter how desirable or feasible it may seem in some respects, would force a conference with the House, and that, because of the time limit, and because of the situation in the House, the conference committee could not resolve the differences between the two Houses.

Mr. BYRD of Virginia. That is correct.

Mr. ALLOT. Therefore, if the amendment were to be adopted, a vote for the amendment would, in effect, take away from the people who desire an extension of the Unemployment Act until July any opportunity to participate in the program. Is that correct?

Mr. BYRD of Virginia. I am informed by the experts in the Labor Department that approximately 400,000 people will be denied a continuation of unemployment insurance on July 1 unless the bill is made operative by April 1.

Mr. ALLOTT. By adopting the proposed amendment we would be gambling with the opportunity of those 400,000 people for future relief. Is that correct?

Mr. BYRD of Virginia. Yes. Any Member of the Senate who has any doubt about the seriousness of the situation should communicate with the House leadership. If they will do that, they will be advised as to whether it is possible to get the bill through a conference committee at this late hour.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. LAUSCHE. What will be the legal situation if the existing law expires through the expiration of time and thereafter a conference is had? Does the Senator follow my question?

Mr. BYRD of Virginia. Will the Senator repeat it, please?

Mr. LAUSCHE. In the event the existing law terminates because of the expiration of time, and then the House consents to meet in conference, will Congress have the right, ability, or opportunity to act upon an amendment to a law which has already expired?

Mr. BYRD of Virginia. The Senator has raised a very important point. It seems to me that would raise grave doubts indeed. I am advised by the experts in the Labor Department that on the expiration of the act on April 1 the staff would have to be dismissed.

Mr. LAUSCHE. The point I have in mind is that on April 1 the existing law comes to an end because of the expiration of time.

Mr. BYRD of Virginia. The Senator is correct.

Mr. LAUSCHE. If the law comes to an end, how can an amendment be acted on in conference after the House and Senate return following the Easter recess?

Mr. BYRD of Virginia. That is the point exactly. The Senator is entirely correct. I am advised that the staff which administers the law will go out of existence on April 1. It will be practically impossible to make the act retroactive even though it should be enacted as a new law.

Mr. LAUSCHE. When the Senator from Virginia said that an objection on the floor of the House would prevent the bill from going to conference, that does not mean that at a later date it could not be sent to conference, does it?

Mr. BYRD of Virginia. Oh, no.

Mr. LAUSCHE. I suggest to my colleagues that after a law has died because of the expiration of time, any amendment to a nonexisting law would raise great doubt as to its legality.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Who has the floor?

The PRESIDING OFFICER. No Senator has the floor at the moment.

Mr. McCARTHY obtained the floor.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield to me?

Mr. McCARTHY. I yield.

Mr. CLARK. Will the Senator yield so that I may propound a question to the acting majority leader?

Mr. McCARTHY. I yield.

Mr. CLARK. Mr. President, at the request of the Senator from Michigan and myself, the acting majority leader has been in communication with the Speaker of the House of Representatives with respect to the possibility of a conference on the pending measure, in the event the pending amendment should prevail. I should like to ask my friend from Montana if he would enlighten our colleagues as to the result of that conversation.

Mr. MANSFIELD. I will say to my good friend from Pennsylvania and to my other colleagues in the Senate that, although I intend to vote for the McCarthy amendment, as I did for the McNamara-Clark substitute, I was informed by the Speaker of the House that if the McCarthy amendment should be adopted, the chances of the act being extended for the 3-month period desired would be practically nil. It is my further understanding that the only thing which the House would accept would be a technical amendment, which, I pointed out to the Speaker, had already been accepted by the Senate at the beginning of the discussion on the bill.

Mr. CLARK. Is it not correct to say that the House stands in recess, to be reconvened upon the termination of Senate action on the bil, and that we have every reason to believe that the House will go to conference on the bill and attempt to resolve the differences before the April 1 date had arrived?

Mr. MANSFIELD. The Senator is correct when he states that the House is in recess awaiting the disposition of the bill by the Senate. Whether the House might go to conference if a bill markedly different from the one passed by the House were passed by the Senate, to be perfectly frank about it, is an open question. The Senator from Virginia [Mr. BYRD] has indicated that in the House conferees are appointed under a unanimous-consent request, and one objection can keep conferees from being appointed. Therefore, if there are no conferees, there can be no conference.

Mr. CLARK. I came to the floor toward the end of the statement by my good friend the senior Senator from Virginia. I wonder if he said that he doubted the House would go to conference. It seems to me that, as a coordinate body, we should act as we believe we should act, in accordance with our conscience, and we should expect the other House to extend the courtesy to us of going to conference. It might be that the conferees could not agree, of course, but I hope no Senator will change his vote because of the threat of no conference.

Mr. MANSFIELD. I agree that, regardless of what the House does or does not do, each Senator ought to do what he thinks is the right thing to do, and I am sure each Senator will do that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McCARTHY. Mr. President, I certainly approve of what the acting majority leader has said. I do not know what will happen in the House of Representatives, but I believe that, in anticipation of the Easter recess, we ought to take a stand which Senators feel is justified and is sensible. What is involved is the question whether benefits will be made available to approximately 200,000 unemployed persons.

It seems to me that we would be in a difficult position if we were to say that, in anticipation of the Easter recess, we decided to ignore and neglect these people in their difficulties; and that we eliminated the provision from the bill because of the threat of the refusal of the House of Representatives to go to conference with the Senate on the bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JAVITS. It seems to me that there are two other questions we should consider. First, is it not a fact also that if we adopt the pending amendment, we are moving within the 3-month frame of reference? Secondly, is it not a fact that we are doing a very desirable thing in accommodating people who are now on the State unemployment rolls and under the House bill cannot get on the Federal roll?

My point is that it is one thing to proceed as we wish without regard to the other body, because we think what we are doing is the right thing to do. We cannot do that, of course. It is another thing to proceed with a very reasonable effort to conform to the fundamental frame of reference set by the other body; and then, if they

want to—and we cannot assume that this will happen—they will let the bill lie on the table.

I respectfully submit that we are arguing in the frame of reference set by the House of Representatives. It is not something outside the context of what the House has offered. It seems to me that it would be unreasonable on that ground if we should find—and I say we cannot assume this—an obdurate attitude in the other House.

Mr. MANSFIELD. What the Senator from New York has said is correct. Each House must make up its own mind and reach its own decision on proposed legislation. I believe that each House will do what it believes in its own mind to be right. The point is that, as a practical matter, the argument advanced by the Senator from Virginia should be considered, as to what the ultimate outcome of the bill would be if the pending amendment were adopted. I do not agree with the idea that a vote for the McCarthy amendment is not good for the bill. I believe it is good for the bill. Whether the House agrees to go to conference with us is something for the House to decide. We have our own duty to perform here. I know we will perform our duty.

At the same time, many Members of the Senate will keep in mind the practical aspects of the situation. They will bear in mind that the present law expires on the last day of this month; and if it expires, either through the normal expiration of the act, or because of a lack of conference, it means, in the end, that the unemployment compensation law will not be extended.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. ALLOTT. It is not a question, as I understand, of the House adopting a Senate ultimatum.

Mr. MANSFIELD. No.

Mr. ALLOTT. The fact is that in order to enable the House to appoint conferees to act upon the matter, there must be unanimous consent in the House. That means that if any one of the 436 Members of the House objected to the particular form of the bill in which it passed the Senate, the House would be able to forestall the appointment of conferees and thus prevent the enactment of the proposed legislation.

Mr. MANSFIELD. The Senator is correct. He is emphasizing what he so cogently stated in his colloquy with the distinguished Senator from Virginia.

Mr. JAVITS. Mr. President, will the Senator from Minnesota further yield?

Mr. McCARTHY. I yield.

Mr. JAVITS. I served in the other body. It is possible to bring up a Senate bill in the House as an original bill and to pass it under a suspension of the rules, even though the Committee on Rules will not allow it to go to the floor.

We cannot assume that because one Member of the House will object, that will be the end of the matter.

I served in the House for many years, as did the Senator from Minnesota. So did the Senator from Montana. I think we have seen that very thing happen on other occasions.

Mr. MANSFIELD. What the distinguished Senator from New York has said is correct; but he also recognizes the difficulties attached to those proceedings, as well.

Mr. McCARTHY. Conceding that any Member of the House might act as the Senator from New York has suggested, namely, object to the appointment of conferees, the effect of such action might be to grant to each Member of the House veto power over Senate action. To do this would be to establish a dangerous precedent.

Mr. WILLIAMS of Delaware. Mr. President, I join with the Senator from Virginia [Mr. BYRD] in expressing the hope that the amendment of the Senator from Minnesota will be rejected. I am not now directing my remarks to the merits of the amendment. I am merely joining the Senator from Montana [Mr. MANSFIELD] in pointing out the true parliamentary situation. Upon the request of many Senators on both sides of the aisle, some of us have consulted with the leadership of the House. The advice we received—and it was not in the form of a threat, but was advice given from a practical standpoint—is that if the bill is amended, it will not be accepted by the House.

Mr. MANSFIELD. The Senator from Delaware is correct. There was no threat, either implied or expressed. The advice was given on the basis of requests made, and it was the best advice possible which the leadership of the House could give us at this time.

Mr. WILLIAMS of Delaware. That is correct. I thought that should be stated. We asked for the information in order that we might relay it to the membership of the Senate.

As the Senator from Montana pointed out earlier, one technical Senate amendment has been adopted. A question was raised as to why, since we adopted one amendment, we could not adopt another. But the chairman of the committee placed in the RECORD a letter from the chairman of the House committee stating that, upon the approval of his committee, the House would accept the technical amendment only.

Mr. MANSFIELD. The Senator is correct.

Mr. WILLIAMS of Delaware. Let there be no misunderstanding. We were advised, as the Senator from Montana stated, that if the McCarthy amendment were adopted, the chances for the passage of the bill were practically zero.

Mr. SCOTT. Mr. President, on March 16, in the Committee on Finance, I offered an amendment to the Temporary Unemployment Compensation Act of 1958, calling for an extension of the existing program for a period of 6 months.

On March 20, I presented my arguments in favor of such an extension before the Senate Finance Committee. The committee did not see fit to accept the alternative which I suggested—but it is still my view that it is the most reasonable solution to the problem and will provide a very necessary adjustment period—to carry over the unemployment gap until the seasonal upturn in employment opportunity gets underway.

Mr. President, according to the latest figures I have been able to obtain, there are 508,000 unemployed persons in the Commonwealth of Pennsylvania. This is 11 percent of the Pennsylvania labor force, as well as around 11 percent of the total unemployment on a national basis.

The average number of persons receiving benefits in Pennsylvania as of January 1959, on a weekly basis, was 257,000 on the regular State unemployment compensation rolls, plus 59,700 weekly, under the temporary unemployment compensation program. This average of weekly eligibles does not appear to be diminishing, but is expected to go higher.

I do not mean to imply that I believe chronic unemployment in certain areas in Pennsylvania can be solved by temporary unemployment compensation. Nor do I favor the continuation of heavy Federal contributions to unemployment compensation or the dislocation of the present Federal-State relationship in the administration of the employment security program.

I am just as anxious as is the very able chairman of the Senate Finance Committee that we keep spending programs within the budget and reduce them wherever possible.

I do not like anything that even remotely resembles a dole for the people of Pennsylvania. We have privation in certain areas, and many family breadwinners walking the streets looking for a job; but it is a job that the workingman in Pennsylvania wants, not a dole.

He wants a tide-over out of funds to which his employment has contributed, or which State taxation will eventually repay.

Mr. President, I realize the cost of the proposed running-out program under the pending bill, can be absorbed under funds already appropriated in fiscal 1959.

To extend the existing program for a 6-month period would cost an estimated $210 million, $105 million of which would have to be appropriated for under the 1960 budget.

Undoubtedly the cost factor was a principal consideration in the committee deliberations. It is a difficult one against which to argue.

Between now and the actual termination of the temporary unemployment compensation program under H.R. 5640—June 30, 1959—we will have opportunity to observe the impact and the need for further remedial legislation. If unemployment does not improve immediately ahead, we must then find a more permanent way of dealing with the situation.

I intend to support this amendment.

Mr. LAUSCHE. Mr. President, I contemplate voting for the amendment. However, I must keep in mind that when Congress passed the Temporary Unemployment Act last year, it was done specifically with the understanding that it was a temporary measure. I remember vividly the arguments made that 1958 was a nonlegislative year so far as the States were concerned and that, therefore, it was necessary for the Federal Government to step into the gap so as to enable State legislatures in 1959 to cope with the problem.

Nineteen fifty-nine is here. State legislatures are in session. There definitely are 35 States which have unemployment compensation funds with fiscal strength capable of coping with the problems confronting them. Many of those States have refused to act; they do not want to help themselves. Yet today it was suggested that while they do not want to help themselves, Congress ought to proceed to their aid.

The State of Ohio is in excellent fiscal shape so far as its unemployment compensation fund is concerned. Thirty-four other States are similarly situated.

Some States are in bad shape. The fact that they are in bad shape was foreseeable 7 or 8 years ago.

As Governor of Ohio, I had constantly called to my attention what other States were doing. The argument was made that Ohio should follow the course of the other States.

Mr. President, the funds of those other States are now practically exhausted. They are exhausted because of mismanagement. I heard the argument made today that Congress should restore by its action fiscal stability. I warn Senators that we are on the way of doing to the Federal fund what has been done locally to the State funds because of mismanagement.

Senators might inquire why I have said I will vote for the amendment. In those States where the funds are low—I understand there are five such States—there are many people who are out of work. Those State funds cannot be immediately used to supplement or to increase payments or to extend the duration of the payments. Those States should be taken care of.

The proposed extension of 3 months will involve $105 million, but it will be on a loan basis; it will not be a giveaway. It is for that reason that I shall vote for the extension of 90 days. It is not because of the States, but because the workers in those States are innocent of what has happened.

But while we take such action, I think it is incumbent upon us to call upon the States to put their own fiscal houses in order with respect to the unemployment compensation funds. The States should proceed to ascertain whether the premiums charged are adequate, and whether the payments made are commensurate with the premiums which are being received.

Those are my thoughts on this subject, Mr. President. I regret to take the time of my colleagues at this late hour; but I would feel remiss unless I spoke now.

Furthermore, Mr. President, I wish to say that the States which are complaining about economic difficulties had better look around and see how many of them are driving industry and people away because of the unhealthy economic environment being created in those States. They are driving industry and people away; and now I am beginning to receive letters from persons who write, "Shall I remain here, or shall I move away? My bank account is dwindling, because of deficit operations. Every dollar that I paid for Government bonds is now worth only 47 cents."

Mr. President, what some States have done to their businesses and their citizens, we in the Congress are now beginning to do to the businesses and the citizens of the Nation.

The PRESIDING OFFICER. The question is on agreeing to he amendment of the Senator from Minnesota [Mr. McCARTHY]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent on official business as a member of the Executive Committee of the Interparliamentary Union.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Illinois [Mr. DIRKSEN] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The result was announced—yeas 52, nays 32, as follows:

YEAS—52

Anderson	Hartke	Morse
Bartlett	Hennings	Moss
Bible	Humphrey	Murray
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Carroll	Keating	O'Mahoney
Case, N.J.	Kefauver	Pastore
Chavez	Kennedy	Prouty
Church	Kuchel	Proxmire
Clark	Langer	Randolph
Cooper	Lausche	Scott
Dodd	Long	Smith
Douglas	McCarthy	Symington
Engle	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Green	Magnuson	Young, Ohio
Gruening	Mansfield	
Hart	Monroney	

NAYS—32

Allott	Goldwater	Robertson
Beall	Hayden	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Hill	Sparkman
Byrd, Va.	Holland	Stennis
Carlson	Johnston, S.C.	Talmadge
Case, S. Dak.	Kerr	Thurmond
Cotton	McClellan	Wiley
Curtis	Martin	Williams, Del.
Dworshak	Morton	Young, N. Dak.
Frear	Mundt	

NOT VOTING—14

Aiken	Eastland	Johnson, Tex.
Bennett	Ellender	Jordan
Butler	Ervin	Russell
Capehart	Fulbright	Smathers
Dirksen	Hruska	

So the amendment offered by Mr. McCARTHY, for himself and other Senators, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass? [Putting the question.]

Mr. CURTIS. Mr. President——

Mr. KUCHEL. Mr. President, I was about to move to reconsider the last vote, if the Presiding Officer had announced the result of the vote. Had the Presiding Officer announced the result of the vote?

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Had the Chair asked for the "nay" votes on the passage of the bill? We cannot hear him.

The PRESIDING OFFICER. The Chair did ask for the "nays."

The bill (H.R. 5640), as amended, was passed.

Mr. KUCHEL. Mr. President, I now move to reconsider the vote by which the bill was passed.

Mr. BIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CASE of South Dakota obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. Mr. President, in view of the outcome of the vote——

Mr. HOLLAND. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order, so that Senators may be heard.

Mr. MANSFIELD. Mr. President, in view of the outcome of the vote on the extension of unemployment compensation benefits, I think I ought to try, to the best of my ability, to make my position clear.

I made the statement yesterday, in conjunction with the distinguished minority leader, that after the vote today on the extension of the unemployment compensation benefits measure there would be no further votes; in other words, that the Members could feel free to go to their home States for the recess.

I do not know now what the situation is. By that, I mean I do not know whether there will be a conference. If there is a conference, I do not know whether there will be agreement.

I should like Senators to know I have to backtrack a little bit on what I said yesterday until it is decided what the

House and Senate conferees, if they are appointed, will do about this particular measure.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Is it the opinion of the Senator from Montana that the distinguished senior Senator from Virginia will be able within a matter of the next couple of hours to enlighten my colleague from Montana and other Senators as to what fate has done to the proposed legislation in the other body?

Mr. MANSFIELD. I will say to my distinguished friend, I hope that the senior Senator from Virginia, the chairman of the Committee on Finance, who handled the bill, who is now sitting on my friend's side of the Chamber, will be in a position within the next 2 or 3 minutes or within the next 2 or 3 hours to tell us both, and to tell all our colleagues, what the situation is going to be. I am sure the Senator from Virginia does not know at this time.

Mr. KUCHEL. Assuming there is a conference, and a conference report is agreed to, would it be the understanding of the able acting majority leader that today or tomorrow, before a recess resolution is voted upon, the Senate will have an opportunity to vote on some type of report?

Mr. MANSFIELD. In the words of the Senator from Illinois, the distinguished acting minority leader is showing his usual perspicacity.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Mr. President——

Mr. BRIDGES. I should like to ask the distinguished acting leader on the Democratic side a question. As a result of the vote just cast, is it not true that the Senators who voted for the amendment pretty well killed the unemployment compensation extension? On their shoulders must rest the responsibility for the defeat of the proposed legislation, if it is defeated.

Mr. MANSFIELD. No. As one of the Senators who voted for the amendment I must disagree most emphatically, and say that those of us who voted in favor of the McCarthy amendment did so because we thought we acted in the best interests of the people.

Mr. BRIDGES. I believe the Senator acted in what he thought was the best interests of the people, but the practical effect is as I have stated, is it not?

Mr. MANSFIELD. While there is life there is hope.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CASE of South Dakota. Mr. President——

Mr. CLARK. As one Member of the Senate I should like, on behalf of myself and on behalf of my colleagues, to express resentment at the statement of the Senator from New Hampshire. I think this body and the other body have good common sense and can proceed with a normal approach to this matter. I think the cynical approach of my friend from New Hampshire is a little out of order.

I suggest to my friend from Montana the possibility of keeping the Senate in session this afternoon long enough so that the distinguished senior Senator from Virginia may receive some word from the House as to the action taken on the Seante bill, and whether the House desires to go to conference, in which case I am sure the conferees could be appointed this evening, without the need for a yea and nay vote, and 24 hours could be saved in attempting to come to an understanding with the other body.

Mr. MANSFIELD. I will say to the Senator from Pennsylvania, that as yet no resolution for an Easter recess has been agreed to. Under the proper circumstances there would be no need for us to undertake an Easter recess. I hope we can get some action on this measure, through a conference report, and if necessary we can forgo an Easter recess.

Mr. CLARK. My point is that perhaps this matter can be resolved in the course of the next few hours. If the Senate adjourns or takes a recess within the next half hour, and the House acts in another hour, we shall have lost a day.

Mr. MANSFIELD. I think in an attempt to be cooperative we will stay in session until about 6 o'clock, at least, and perhaps longer, in the hope that something may be done. I do not intend to ask the Senate to stay in session if there is no possibility of an accommodation being reached.

Mr. CLARK. I thank my friend.

Mr. BRIDGES. Mr. President, will the distinguished Senator from Montana yield to me? The Senator from Pennsylvania made reference to me.

Mr. MANSFIELD. I yield.

Mr. BRIDGES. The Senator from Pennsylvania has referred to my colloquy with the junior Senator from Montana and has expressed his resentment because he believed it to be a cynical observation. The Senator from New Hampshire made no cynical comment. He made a very practical observation. He grants that the distinguished Senator from Pennsylvania and his colleagues who voted for the amendment, had a perfect right to do so. They were probably acting to the best of their knowledge and ability.

The Senator from New Hampshire views the situation differently. He believes that, in a practical sense, it will gravely jeopardize the extension of the unemployment insurance program. That is not a cynical approach. It is a realistic approach. The Senator from New Hampshire is not cynical in his observations. He concedes to the Senator from Pennsylvania and all other Senators the right to vote as they choose.

Mr. CLARK. I thank my friend for the happy clarification of his earlier remarks.

Mr. MANSFIELD. Mr. President, there is a point to what the Senator from New Hampshire has said. We must all decide, in our own consciences, what is best. I am sure we all proceed on that basis.

Mr. MORSE. Mr. President, in view of the fact that no Easter recess resolution has yet been agreed to, I invite the well-fed Members of the Congress of the United States presently employed—I was about to say "gainfully," but I refrain from using that word—to enter into an agreement with me to have the Senate remain in session during the entire Easter period, if necessary, until, carrying out our responsibilities, we do something legislationwise for the unemployed of the country.

I offer an invitation now to all Senators who would like to join me to line up on the right—which will also be the right side—and, when the resolution for an Easter recess comes before us, be prepared to keep the Senate in session until we do something for the unemployed. That is a very constructive suggestion, and I hope to have early enlistments.

If it should come to pass that the House of Representatives would be unwilling to assume its responsibility of going into conference quickly and giving us a report so that we can act at an early hour, I believe the course I have outlined would be appropriate.

Mr. MANSFIELD. Mr. President, let me say to the Senator from Oregon that, as usual, his suggestions are good, sound, and solid. I assure him that what he has had to suggest this time will be given every possible consideration.

OIL IMPORTS

Mr. LONG. Mr. President, I desire to discuss the subject of oil imports in considerable detail. I ask unanimous consent that I may be recognized at the conclusion of the morning hour tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GARNISHMENT LAW OF THE DISTRICT OF COLUMBIA

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The Senator from North Dakota.

Mr. BIBLE. Mr. President, may we have order? It is impossible for the Senator from North Dakota to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LANGER. Mr. President, yesterday the distinguished Senator from South Carolina [Mr. JOHNSTON] and I introduced a bill to provide for the repeal of the law providing for garnishment in the District of Columbia. That bill is lying upon the desk until next Thursday, for Senators who may desire to add their names as cosponsors. I am in great hope that many Senators will cosponsor the bill, because it is of importance to the people of the District of Columbia.

As previously stated, garnishment proceedings cannot be conducted against a Federal employee. There is no reason why the employee of any private individual should face garnishment.

Last year there were over 48,000 garnishment proceedings. In other words, Mr. President, in every month last year there was an average of 4,000 garnishments. We can readily observe the great burden placed not only upon the courts

of the District of Columbia but also upon the officers who must serve the papers.

It should be interesting to the Members of the Senate to know that the States of South Carolina, Texas, New Jersey, Pennsylvania, and Florida do not permit garnishments by law, and the States of Maryland and California have such high exemptions that the garnishment law is ineffective.

Mr. President, Mrs. Edward C. Mazique, speaking in favor of the Rock Creek East Neighborhood League, Inc., in her appearance before the House District Committee, Subcommittee No. 3, in February 1959, testified as to the many inequities of the existing garnishment law and enumerated six specifically as follows: First, exploitations of consumers by easy credit; second, employment turnover; third, mounting expense in court budget; fourth, breakdown of family units; fifth, general intimidations of consumers; and sixth, social deterioration.

Because of the excellent preparation of the statement by Mrs. Edward C. Mazique, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I hope that many of my colleagues in the Senate will carefully read the statement contained herein and the statements made by the Senator from South Carolina [Mr. JOHNSTON] and I in introducing the bill to repeal the garnishment law. I know that they will be impressed with the reasons, and should join as cosponsors on this bill which is laying on the table for additional cosponsors.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE HOUSE DISTRICT COMMITTEE, SUBCOMMITTEE NO. 3, HEARING ON GARNISHMENT, FEBRUARY 1959

(By Mrs. Edward C. Mazique, Rock Creek East Neighborhood League, Inc.)

To Chairman and Members of the House Subcommittee No. 3 for the District of Columbia:

On behalf of the Rock Creek East Neighborhood League, Inc., a citizens' association representing the residents of the community which extends from 16th Street to Rock Creek Park and from Colorado Avenue to Piney Branch Road NW.

Our league wishes to thank the members of the House District Committee for the privilege of appearing before you today. Especially do we wish to express our appreciation to Mr. ABERNETHY, of Mississippi; Mr. DOWDY, of Texas; and others for their demonstrated concern for the well-being of all citizens of the Nation's Capital. We commend you for the sacrifice on your part from your local District problems and national issues to act on behalf of voteless District citizens.

Our association wishes, hereby, to be placed on record as supporting the Dowdy bill, H.R. 2329, "* * * that no attachment or garnishment shall be levied on any wage, salary, or commission for personal service of the defendant, whether due and payable or not."

Under the acts of 1901 and the subsequent amendments of 1944 and 1952, garnishment is increasingly being charged as a contributing factor in (1) exploitations of consumers by easy credit, (2) employment turnover, (3) mounting expense in court budget, (4) breakdown of family units, (5) general intimidations of consumers, (6) social deterioration. To the extent that credit buying in our community threatens to become our most explosive commodity where since report it is boasted that more money is made on the paper than the actual purchases themselves.

The original act of March 3, 1901, to establish a code of law for the District of Columbia provided that a plaintiff or his agent or attorney had a just right to file a claim to what was claimed in his declaration for the recovery of specific personal property or a debt or damages "for the breach of contracts expressed or implied." Complaints that defendant had fraudulently contracted the debt or incurred the obligation respecting which the action was brought was sufficient cause for a writ of attachment and garnishment against the property of defendant necessary to satisfy the claim of the plaintiff.

The 1901 law provided, however, that plaintiff wrongfully suing by attachment or garnishment had to pay cost and damages to the defendant.

The code for the District of Columbia provided, among other things, that the property of the head of a family or household residing in the District of Columbia should be exempt from distraint, attachment, levy, sale, or execution of decree of any court in the District. Itemized possessions exempt under the above included the following: Wearing apparel, fuel for 3 months, one horse, mule, wagon, dray, mechanics' tools of trade, and such implements, $200 worth of stock or materials necessary for carrying on his business or trade. It added, in addition, that there should be exempt "provisions for 3 months' support, whether provided or growing." It might be assumed here that the District was not so commercialized in 1901 as it is today; that this clause placed agricultural and dairy products up to 3 months' supply beyond attachment. Thus, it appears that the original framers of this measure were concerned lest through some application of attachment and garnishment measures food might be taken out of the mouths of children. Moreover, this code provided, 31st Statutes at Large, page 1363, chapter 854, section 1107, under "Earnings": "The earnings, not to exceed $100 each month, of all actual residents of the District of Columbia, for 2 months next preceding the issuing of any writ or process from any court or officer of and in said District, against them, shall be exempt from attachment, levy, seizure, or sale upon such process, and the same shall not be seized, levied on, taken, reached, or sold by attachment, execution, or any other process or proceedings of any court, judge, or other officer of and in said District."

As the economy moved from a simple or semisubsistence level to a highly commercial one, a code providing for exemption of wagons, drays, food production, etc. became outdated. An amendment to the District of Columbia code of 1944, taking into consideration possible added personal or family incomes from pensions, insurances, annuities, provided that income from these sources should be considered in the totaling of $100 per month per family exemption with $60 per month exemption for single persons not heads of families. Moreover a ceiling was placed by this law on the total value of wearing apparel so that all clothing over $300 was liable to attachment. In 1952 by an act of April 15, amending again the code of 1901, it was provided that exemption of $100 as first allowed in 1901 should be raised to $200 per family.

Both the above mentioned amendments represented a possible loss of protection to consumers. The 1944 act added financial assets such as annuities, pensions, insurances into the $100 exemptions whereas other assets in 1901 such as tools, fuel, and growing provisions, we presume meaning chickens, gardens, dairy produce up to a 3-month supply were exempt. Moreover it is estimated the 1944 dollar was worth approximately one-fourth of the value of the 1901 dollar. Though a $200 exemption was granted in 1952 the dollar that year was worth about one-fifth the value of the dollar when McKinley was in the White House. I have been informed that a man could purchase a decent suit for from $5–$15 in that period whereas a similar suit today would cost $45–$100. A fair approximation of comparable protection for the consumer today would be an exemption of $500. Looking back over the application of the 1901 code and the amendments thereto it is evident that the consumer has been steadily losing ground.

In view of the above facts among others my association has asked that I appeal to you today to make no further concessions to the business interests. Our organization is firmly opposed to both H.R. 835 and H.R. 836. The latter popularly referred to as the "bar bill". The enactment of these measures would for the first time since 1901 remove the exemptions which have heretofore technically protected those of the lowest economic segment from any possible legally guaranteed abusive exploitation through credit buying.

GARNISHMENT AND THE EMPLOYER

One of the questions before us, it appears, is whether the powers of the court shall continue to be exercised in such a manner that employers are ordered to withhold salaries, wages, or other earnings for breaches of contract expressed or implied. That said collections are to take priority over all other financial considerations regardless of the fact that the contract might have been entered into by an unwitting consumer under the prompting of slick salesmen, unscrupulous merchants, and peddlers of various sorts, who, through the use of fictitious prices and violations of every ethic of the market coupled with terms of "nothing down, forever to pay," oversold the product, and otherwise took advantage of the unsophisticated consumer.

Before the Senate Subcommittee on Garnishment of the 85th Congress some employers appearing as witnesses against the operation of the existing law complained bitterly of the unbudgeted expense the system entailed for themselves and their firms, that creditor interest might be protected. Some witnesses reported firing employees rather than assume the responsibility for collection of debts from their employees as ordered by the courts. Besides this alternatives' creating a labor problem and an endless employee turnover for the firm or individual, it can contribute to general unemployment, dislocation of households, and family deterioration. For it is highly possible that, in proportion to the increase in labor supply, employers may become inclined to the termination of employees rather than comply with a court regulation which imposes such a burden.

A contract implied or expressed between a creditor and debtor as contracting partners but which has built into its structure a guarantee that a noncontracting, innocent partner shall be held equally liable for its fulfillment, appears to be an infringement upon constitutional guarantees against the denial of property without due process of law. For who can argue that it falls within the scope of civic or community responsibility when returns of such a system are so unequally balanced?

Operating under the District code of March 3, 1901, and its subsequent amendments together with numerous judicial interpretations a great portion of the entire community is currently being bled. While salesmanship tactics along with unfair financing charges, late payment penalties, devious and malevolent collection operations, repossession poli-

cies, misleading advertising, unfulfilled contracts with court-backed authority to collect from the victims at the source, is bleeding great segments of the entire community, the less privileged Negro community is rapidly approaching a state of economic hemorrhage. Though testimony 2 years ago estimated, then, that some 90 percent of garnished victims were Negro and more recently the public press restated this proportion pointing out in addition that of the 48,000 cases in 1957, 90 percent were Negro and only 10 percent were white, we protest this is not a civil rights question; this is a human rights question that threatens to involve more and more consumers, Negroes and whites, noncitizens and citizens as well in a mercantile vice as the attachment system gains increased legal authority for action.

In this connection both H.R. 835 and H.R. 836 have added something new in that they propose the setting aside of total exemptions at any economic level and authorize the legal withholding of up to $20 monthly from the below $200 per month. Twenty dollars needed for food, fuel or other basic essentials may be transferred to such overpriced luxury items as may be unloaded upon them.

Migrants from nonindustrial areas—areas not so commercialized as the District—whether Negro or white are least able to cope with the "hidden persuaders" who oversell them. Moreover when in difficulty with creditors they rarely seek the law where protection might be secured, for they seldom have the knowledge that laws have provided for their protection in such emergencies or they lack necessary funds to employ legal assistance. In some cases they experience timidity and grave fear at the mere mention of the law and other court attendants, more so after creditors have assured such defendants they were the culprits in breaching contracts. A statement of Senator PAUL DOUGLAS last June 25 before the House Judiciary Committee, hearing testimony on civil rights, applies aptly but more broadly: "It is familiar to this committee that as a group, the Negroes in the South are at the bottom of the totem pole economically, socially, and in all respects, and that in only a relatively small number of cases do they individually have the resources to prosecute these suits before the courts."

It is obvious that in our local economic arena the above conclusion as to the effectiveness of the law to the underprivileged and its involvement of a certain segment is as true here in the District as in the South with the notable exception that ten percent of the defendants in the District are white people.

So the Nation's Capital is teaching the poor a new lesson in freedom "that democracy, political or social, is no guarantee of subsistence and is an indifferent substitute for it." That consumer exploitation by creditors, like the plague, has no respect for persons and will spread in all directions unless nipped in the bud.

A glance back over the history of the interpretation and effect of the 58-year-old code reveals that the application of the law has gone far afield. While the consumer has become progressively helpless, easy creditors have gained in both legal and economic strength and their influence currently appears to be spreading horizontally as well as vertically. Complaints from neighboring citizens of the high-handed operation of District of Columbia creditors through quasi-foreign operations in surrounding Maryland, has caused the State Legislature of Annapolis to turn its attention to protective legislation for Maryland citizens who neither live nor work in Washington but who are often sued by creditors acting under District of Columbia laws denying Maryland citizens the full protection their State has provided them. This complaint of quasi-foreign operation was presented to the Senate Subcommittee on the Judiciary which heard testimony on garnishment 2 years ago. With increased economic consolidation of chain stores, business combinations of various sorts, and monopolies tied in with various systems of interstate charge accounts, the economic blight seen here can become a problem for Federal concern.

Thus, it is conceivable that an apparently insignificant piece of legislation such as the District of Columbia Code of 1901 and its two subsequent amendments on attachment and garnishment, could establish a precedent and spread throughout the country as an economic way of life to the total disadvantage of the Nation. That wherein we here in the District complain of an economic system, the operation of which snares indefinitely, as indentured servants, one segment by another, it is conceivable one section of the country can snare another in a kind of sectional bondage.

It is significant here to point out that one businessman testifying before the Senate Subcommittee on Garnishment revealed that his trade association had been informed several years ago that Washington, because of its large employed non-Government Negro population, had been singled out to become a mecca for easy creditors. A brief review of the outcome of some of the cases involving creditors and defendants points up the fact that this territory has been intensely worked for through vertical application of the garnishment law, more and more people are being caught up in the meshwork of creditors. Though we have had described recently in detail the operation of 7 merchants who entered the courts 12,000 times in 1957, there is still the question of who took in the other 36,000 cases. Besides the serious fact that there are these cases against the consumer which have been rising annually there are thousands of unrecorded victims who have suffered silently and individually untold abuses and who under threats of job loss, ignorance of consumer protection, unfulfilled contracts, intimidations of various sorts forked over payments unjustly demanded by merchants.

For the American people, generally, Washington, a pilot project for easy creditors, may have served as merely a testing ground breeding an economic system through intense vertical operation in the city proper and experimenting with horizonal operation in surrounding areas and which in time may spread nationally.

If this prospect appears needlessly alarming, one has but to turn back the dramatic application of the act and its amendments to validate the charge of creeping exploitation which has engulfed the District of Columbia. The interpretation, abuse, and misuse of the law to promote sales substantiate a charge, I believe, John Foster Dulles made before a Senate Foreign Relations Committee, that the test of any measure is not what it says but what it does. It is very evident that under this existing bill much has been done to protect the creditor and to penalize the consumer.

Therefore, we oppose again both H.R. 835 and H.R. 836 for we believe that protection for the consumer if the history of the past has taught anything, will in time work to the advantage of the merchant and to the disadvantage of the consumer.

OPPOSITION TO BILLS H.R. 835 AND H.R. 836

A study by the Washington Board of Trade for the year 1958 reports 38,000 families in the Washington area with salaries in the below $3,000 category. A conservative estimate might place 30,000 of this number of families in the $200 per month bracket, against whom garnishment charges under the exhibiting provisions cannot now technically be preferred. Enactment of either H.R. 835 or H.R. 836 would make all such persons eligible for garnishment or the withholding from their pay of up to $20 per month. The entrance of a vast new market entailing some 30,000 family units would be opened for merchant speculation with the expected proportionate number finding their way to courts for adjudication. Since in all probability major purchases by these people will be luxury or nonessential items, basic needs now met within such limited budgets will be proportionately reduced. So it's conceivable under this regulation that the 45,000 children now reported underfed in Washington may under either of these bills have less food and clothing but more television sets and bicycles and doll buggies.

Second, it is logical to conclude from the above that the expected decrease in existing cases of individual attachments from the above $200 bracket due to limitations provided in measures proposed may be more than offset by the emergence of a new set of cases arising from the below $200 people now technically and officially outside the scope of the garnishment law.

Third, whereas under the existing arrangement through several attachments applied simultaneously, defendants were sometimes forced into personal bankruptcy, under the proposed sliding scale provision of the "Bar Bill" the defendant though suffering less intensely suffers longer. So it's like the man who cuts off the tail of the dog a little at a time. With salesmen operating as they do it's logical to conclude that once snared a worker's income would thereafter be reduced by 10, 20, or 50 percent through tactics described above.

Limitations of attachments to one at a time possibly represent less of a concession to consumers anyway than a referee system for easy creditors, who were increasingly killing the goose that laid the golden egg by descending upon the defendant all at one time. Through this arrangement all could definitely and indefinitely be assured of a secured return on a long term basis. It appears, in short that this establishes "modus vivendi" which is of mutual benefit to easy creditors; stabilizing the garnishment war which sometimes develops.

We acknowledge there are built-in guarantees for the consumer as well as the merchant even under the existing law. The application of the law and the hundreds of thousands of cases heard and prosecuted can only attest to one of two things, either the consumers as a whole were fraudulently disposed people who willfully breached contracts while the collectivity of merchants were honest men, or it reveals that through ignorance of the law the consumer was helpless while the merchant possessed the necessary machinery to exploit fully the provisions of the law. For residents in the District—Negro and white—lacking in a heritage of commercialism, these complex laws can work almost to the exclusive advantage of the creditor. That H.R. 835 or H.R. 836 will offset a repetition of the application of this existing law as it has operated in the last decade is an improbability.

Our association states again, in view of these facts, its support of the Dowdy bill for the District of Columbia. This it requests not for personal or provincial reasons alone, but in humanitarian concern for the people of the United States.

GARNISHMENT: A NATIONAL PROBLEM OF THE FUTURE?

We believe attachments and garnishments represent a growing danger to America not alone for the evidence substantiated by actual cases, but for the developments it portends. Such perversion of legislation for the economic interest of the few is ill befitting the democracy of such a great Nation as the United States and is an antithesis of the spirit of the Founding Fathers. This country was largely founded by poor peoples many of whom were seeking a refuge from debtors prisons. Support of these measures

should be an announcement to the world that our human rights standards predate the colonial period.

For Washington, D.C., the citadel of democracy, the capital of the world, the mecca of foreign guests and residents, a free enterprise system which penalizes as this system has done, establishes a universal reputation that no amount of technical aid nor cultural exchange can eradicate. We have heard complaints of foreign guests and temporary residents being victimized by the operation of a system which the code of 1901 and subsequent amendments, it is believed, gave strength and encouragement.

GARNISHMENT: IMPACT ON COMMUNITY

As long as citizens, merchants, and consumers alike respect this law, officials, charged with executing the law, can act in the best interest of the community at large. But as fair sounding as the original law of 1901 appeared, and though modifications attached thereto in 1944 and 1952 were merely questionable at the time as to whether merchant or consumers or interests of both would be served, we have suddenly reached the point as substantiated by some 48,000 cases in one year which makes clear that all participants in the administration of said law are impotent, or penalized or losers save the easy creditors themselves.

It's true that many of the unwitting victims, in this case Negroes, suffer from poor business practices. It is equally true a few deadbeats would escape apprehension without court's intervention, yet it's probable that if prospective creditors tightened their system of investigation in recognition of the fact that credit will be undertaken at their own risk, the number of such nonpaying debtors might be no greater than is the case under a system which permits such demoralization that an equal number of debtors escape both the arm of the law and the creditor through public disappearance or loss of job. Moreover, creditors possess the machinery for the rating of prospective customers, which if properly used could represent a savings to the community in taxes paid for the numerous persons employed in enforcing the law for creditor benefit.

About 5 years ago my husband employed for 2 hours per day, 4 days per week a cleaning woman who was a widowed mother with two minor children. The $60 per month he paid together with a $35 allotment from her deceased husband's social security constituted her total income. She was initially referred to us by a Government agency seeking to place her where she could in addition to her job qualify for much needed medical care. The arrangement worked out fairly well for all concerned until easy creditors discovered she had increased her income through steady employment. Then there followed harassment of our home and office by the eager-beavers with abusive, violent language to both the office secretary and me, such as I have never before heard. There followed a barrage of harassment of patients who entered the office inquiring if they were, well say Mary Jones, or if they knew her. Finally, my husband was subpenaed to appear in court. After begging off himself and insisting that Mary appear in court herself, he was notified that all money was to be withheld from this widowed mother until her creditors were satisfied. Though she reported that she had already paid $90 on two mattresses, she was charged with owing $90 plus a sizable sum for a set of china which she purchased for her unfurnished room. It was near Christmas when my husband informed me that all assets were to be withheld from this woman by us. My husband's request for me to join in the support of man's inhumanity to man though officially ordered was in violation of my Christian principles and that coming at Christmas time made it worse. Promptly ignoring him I flaunted the courts and brought Mary into the house to assist with minor details as much as her poor health would permit and I paid her cash in return.

I can today admit the violation since the statute of limitations has now expired, I trust. Once the debtor had fulfilled these contracts, the harassment did not cease for these creditors' desires are insatiable. In a relatively short time Mary, who could not think fast was again snared and so were we. This was too much. As they said Mary was over 21 and this is a free country—at least these easy creditors were free to keep Mary endlessly ensnared and free to subject us to endless inconvenience and harassment.

A few months later Mary was seen on the streets dirtier and more ragged than we had known her, looking the part of a derelict. Without doubt she was hardly discharging her duties as a mother. I was informed the children were then in the hands of some welfare agency. Gentlemen, I can no longer participate in a scheme which can take advantage of people as the present one has done.

Though many victims voluntarily negotiate contracts beyond their abilities to fulfill, and though for the most part these individuals are over 21 years of age, the operation of a system which has worked as great a detriment to the well-being of the city's mass population must be immediately terminated.

We believe that neither bills H.R. 835 nor H.R. 836 will act to curtail sufficiently the evil that has descended upon us. When the operation of a law slowly but surely, acutely or chronically destroys one segment of society for the benefit and interest of another the Government must step in. For no society can remain indefinitely half enslaved and half free economically any more than politically so. Government sometimes has to protect the innocent against their own lust less the underprivileged themselves add to economic dilemmas, for as Herbert Spencer noted many years ago, "If men use their liberty in such a way as to surrender their liberty, are they any the less slaves?" "This puts the issue to be sure," as noted by the Christian Century of June 4, 1958, but it does not resolve it. "For in our times," states the Century, "measures advanced by some segments of the community to protect our liberties from surrender are conceived by others as hastening their surrender."

A WORKABLE SOLUTION

For those who doubt the efficacy of an economic system where no garnishment is permitted by law, we have several viable States without it such as Texas, New Jersey, Pennsylvania, Florida, and South Carolina. And many others though permitting garnishment have such high exemption that the law is ineffective, Maryland and California being examples of the latter.

However, we have selected for your attention today a small book entitled "Pathways to the Houston Negro Market" and a reference to a 109 page report by Prof. Henry Allen Bullock, of Texas Southern University, based on the theme that "Economic Equality Is Always a Prelude to Total Equality," published in 1956 and 1957. Professor Bullock's two reports of Negro economic participation in the economy of the South's largest city (725,000) revealed that Negroes accounted for 21.2 percent of the population and that their spending power accounted for 15 percent of the cities purchases totaling $168 million dollars per year.

Though we are informed that city is without the legal props of garnishment to bolster its economy, 53.9 percent of the Negroes own cars, 40 percent own vacuum cleaners, 86.6 percent own refrigerators and 37.6 percent own TV sets.

There are among us here in Washington those who cannot conceive of a well functioning economy without garnishment and having spent my adult life in the District I am not prepared to offer any techniques for its application. However, leadership and assistance from those States without the law should not be difficult to secure. In fact the introduction of the Dowdy bill by a representative of the Lone Star State indicates that State's willingness to cooperate with District residents.

H.R. 4585 or the Foley bill introduced on February 17, 1959, is not discussed in the foregoing, for it came on the eve of the originally scheduled hearing of February 19—too late to be incorporated into the original. However, some of our reactions to H.R. 835 and H.R. 836 hold equally true for the Foley bill, particularly those sections which will be further elaborated upon in this supplement:

Section 1104A, attachment of wages: (a) While a $50 weekly exemption; 10 percent of gross wages per month below 500 and 50 percent above $500, and restriction to one attachment at a time, unquestionably represent an improvement over the written law now the basis of the garnishment system, there are yet some questions of (a) left unanswered in the minds of laymen: "Does judgment debtor here apply to man and wife separately so that where both are employed an attachment upon both could produce 20 percent of that family's budget from two attachments simultaneously issued?"

Second, we ponder the inherent conflicts and consequences of applying (b) which states "it shall be the duty and responsibility of any employer upon whom an attachment is served * * * to withhold and pay over to the judgment creditor, or his legal representative * * * that percentage, of the gross wages payable to the judgment debtor for the pay period or pay periods ending in each calendar month to which the judgment creditor is entitled under the terms of this section until such attachment is wholly satisfied. Moreover, it is pointed out in (b) that "* * * conformity with this subsection shall be a discharge of the liability of the employer to the judgment debtor to the extent of such payments." Turning to (d) obligations of employer are defined in the following "If the employer-garnishee willfully fails to pay to the judgment creditor the percentage prescribed in this section of the wages which become payable to the judgment debtor * * * judgment shall be entered against him for the whole amount of the judgment creditor's judgment and costs, and execution shall be had thereon."

Although the Foley bill provides that judgment against employer-garnishee shall be limited to that period of failure to comply and, although employer-garnishee's failure, if proven not willful, may not have said judgment applied, these provisions for certain protection are not enough to prevent the employer's ridding himself of any such obligations and liabilities by firing the worker at the first opportunity. For as in the latter provision who is to prove willful or unwilful neglect? What will dictate the terms to be applied in determining the difference between premeditated and involuntary oversight? Is it not conceivable that some employer-garnisheers, resisting creditor's legal rights to force him into a partnership, may exploit this willful provision in passive resistance?

While the Foley bill would guarantee the continual operation of the installment system with some modifications distinctly advantageous in the long run to the creditor, he forgot to mention compensation to employers for cost to their budget. Is upholding such a law, whose benefits so narrowly apply charity? Then why should a firm's charity allotment be reduced by contributions to an easy creditor? Or is the sacrifice on the part of the employer considered a civic responsibility for the overall well-being of the community? If the historical opera-

tion of the present system has taught anything, it is that the system and its exploitation, while definitely beneficial to some was highly questionable in its benefits to the majority. History records numerous instances of legal enactments which benefited some and penalized the majority which ultimately led to severe trouble and serious repercussions. Rather than be forced into cooperation as an unincorporated partner with firms whose operations he detests, an employer may simply put his controversial employees in the streets, as an only alternative. However, there may be some employers, who though abiding by the letter of the law, will bypass the expense to their budget, passing along said expense entailed to an already overburdened employee. Who is to protect debtor victims from reduction in pay or added duties or from general intimidation? For are not judgment debtors but paroles whose technical relations to the employer is comparable in some respect to that of criminal paroles? It is a known fact that the parole system has historically led to gross abuse and an inevitable blight upon any democracy. What is to prevent some creditors and employers from entering bargains for the mutual rewards to be derived from such trapped and helpless employees? It is clear the full operation of the Foley Act together with eager beaver salesmen in an already overextended economy could combine to produce a running, endless demand upon bookkeepers as surely as social security deductions.

The failure of the Foley bill to provide compensation for employers may ultimately result in swelling unemployment rolls, employee intimidation greater welfare appropriations for distressed families and for the continual operation of a fringe merchant system. It's difficult to ascertain the abuses inherent in the Foley bill as it is in H.R. 835 and H.R. 836. Every layman, who read the series of articles which appeared in the local press recently, is aware that the consumer has increasingly paid dearly under the present District law in spite of the fact that the word of that law as originally written appeared tightly enough drawn to prevent such abuse. Moreover, the statistical figures of attachment cases and their consequences point up the threat of this city's being driven to economic destruction. The greatest significance in seeking to estimate Mr. FOLEY'S bill "is not what it says but what it's going to do that matters."

Again we urge that the Foley bill be written off as representing but a continuation of successive relaxation of terms begun in 1944 that the economic ball may be kept in the air; that as many fringe operators may be protected against bankruptcy which allows for continual policies of unfair financing, padded prices, unfulfilled guarantees and contracts. There are no wages without the employer—yet the employer is unprotected.

The whole system of spiraling installment purchases is a process that can't go on indefinitely for some where ability to pay will overtake the repayment of debts. For what is actually true and what has brought some of us here is the realization that 45,000 hungry children in this town attest to the fact that residents of the District in the lower income brackets have over-extended themselves on credit buying and there is need for severe retrenchment or consumers will be paying for gadgets, and Government agencies feeding families while easy creditors grow fat. If Mr. FOLEY'S bill were designed to restore confidence, we wish to remind supporters of that bill of what Senator JOSEPH C. O'MAHONEY, the first chairman of the Joint Senate and House Economic Committee, said last year "confidence and credit are not synonymous. * * * A credit system which is extended to the breaking point, by no down payments and eons in which to pay, will destroy confidence and ruin sound government." Witness the fact that installment debt has risen from $9 billion in 1948 to $34 billion by December of 1957 and together with noninstallment debt totaled $42.5 billion at end of first quarter of 1958.

Credit based on steady employment and payrolls rather than tangible collateral may prove to be built on quicksand, Senator O'MAHONEY maintained. Moreover, the Senator added, the installment purchasing system has operated most disastrously among those at the bottom of the economic scale who are most likely to be laid off when jobs get scarce. They are the families least likely to have financial reserves.

With finance companies freely assuming the retailers debt thus relieving the latter from the responsibility for soundness of sale, there is created an open invitation for irresponsible, fast talking fly-by-night dealers. Sound Government is at the mercy of irresponsible super-salesmen and excesses of desires for the luxuries of modern living, the Senator concluded.

Galbraith in "Affluent Society" states, we have reached the point in our history where the drive for sales, far from solving or meeting the needs of peoples, actually create problems for the whole community. Moreover, he adds, that installment credit is a potential source of great instability in the economy for consumer debt has been a contributing factor in serious recessions, social unbalance and inflation.

Any bill proposing any form of garnishment yet failing to address itself to the substance of the contract or conditions of the sale thereof will be so restricted in its interpretation and guarantees for the protection of the consumer that continued abuse may be expected.

This lengthy discourse has been projected in detail that our opposition to H.R. 835, H.R. 836, and H.R. 4585 may be fully understood and received, and that it may serve to encourage the committee to give its full support to the Dowdy bill H.R. 2329 for the reasons in summary that—

(1) The complexities of garnishment bills will continue to demand the interpretation and enforcement of the courts.

(2) Employer resistence may place jobs in jeopardy or reduce workers to a helpless state of perpetual exploitation and intimidation.

(3) The garnishment measures provide legal machinery for debt collection regardless of the conditions of sale.

(4) Continuance of system of garnishment may offer encouragement for further expansion of abuses not covered by garnishment relief.

(5) Forty-five thousand underfed children attest to the fact that the District of Columbia credit economy has overstretched itself and therefore is in dire need of retrenchment.

(6) The changeover from current short-term garnishments to longterm attachments will simply prolong the suffering.

(7) Loss of creditor's income under proposed garnishment modification might be made up in unfulfilled guarantees, unlimited interest rates, fictitious prices, and dubious conditions of sale.

(8) The garnishment diseases like other diseases, if not quarantined and eradicated today, can become a nationwide epidemic tomorrow.

In conclusion the Rock Creek East Neighborhood League, Inc., a civic association, wishes to leave with the committee two significant quotes:

Justice Nathan L. Jacobs, of the New Jersey Supreme Court, attacking recently a centuries-old doctrine, declared that, "When a legal principle no longer serves justice, it should be discarded."

Mr. John Foster Dulles, Secretary of State, appearing a few years ago before the Senate Foreign Relations Committee, was reported saying, "It's not how a measure reads but how it works."

ROCK CREEK EAST NEIGHBORHOOD LEAGUE, INC.,
MRS. EDWARD C. MAZIQUE,
Chairman, Legislative Committee.
Mr. ELBERT C. ROBINSON,
President.

A SENSIBLE AND HONEST BUDGET

Mr. HUMPHREY. Mr. President, in recent weeks one of the most spirited topics of debate and discussion here in Congress has centered on the budget for fiscal 1960. It seems that almost everyone has a decided opinion on the subject. Some claim that the administration has presented a balanced budget. Others argue that it has done no such thing. Some charge that the programs being pushed in Congress will throw the budget out of balance. Counter arguments are made that the Congress is in fact cutting back on spending.

Although statements, charges, and arguments have been flying thick and fast, I am afraid that the result to date has been only more confusion rather than clarification.

One reason for such confusion concerning the budget—both in the public mind and right here in Congress itself—is the hodgepodge fashion in which the Federal budget is presented. Anyone who has examined the budget report knows what I mean. It is a formidable physical task in itself just to wade through its thousand pages. But it is the bewildering fashion in which the budget is reported which really leads to confusion. Unless a person is a certified public accountant, it is about as difficult to make sense out of the budget report as it is to beat the New York Yankees in a world series.

To intelligently discuss the Federal budget, it is necessary first of all that it be presented in such a form that a reasonably intelligent and dexterous person can understand it.

A first step in this direction would be for the Federal Government to adopt a capital budget. By this I simply mean that the budget should make a clear distinction between operating expenditures and capital outlays.

Every businessman is familiar with a capital budget. Each year in addition to preparing a profit and loss statement, a businessman prepares a balance sheet which lists on one side his assets and on the other side his liabilities. A clear distinction is made between current operating expenditures, such as salaries, and capital outlays for items such as plants and equipment. I think that it is about time, Mr. President, that we put the Federal Government in its bookkeeping methods on a businesslike basis also. It is about time that the Government's budget clearly distinguish expenditures and investments.

I have said that if American Telephone & Telegraph Co. maintained a budget like that of the Federal Government, we would still be communicating in this country by smoke signals.

The time is long overdue that we lift the fog as to Government spending by adopting a modern day capital budget.

Today I am introducing a bill which would provide for such a budget. This is not a new proposal. It is a full 10 years since the first Hoover Commission recommended adoption of a capital budget. I quote from the Commission report as follows:

> There is, at present, constant confusion in Federal budgeting and accounting because current expenditures and capital outlays are intermingled. These two types of expenditures are essentially different in character, and should, therefore, be shown separately under each major function or activity in the budget. * * *
>
> We recommend that the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlays.

Since this recommendation by the Hoover Commission in 1949, several bills have been introduced directing the President to include a capital budget in the budget report. I have introduced such bills myself, as has the distinguished senior Senator from Oregon [Mr. MORSE] and others.

I am pleased to note that the Joint Economic Committee in its recent report for 1959 suggests that the Federal Government adopt a capital budget. The report states:

> We should also realize that a considerable amount of our national expenditures in any given year is for direct and indirect capital investments. In the Federal Government, unlike the sound accounting practices of private business, these are charged to operating expenses. Apparent deficits are, therefore, frequently not deficits at all. The adoption of sound budget principles which would separate caiptal outlays from operating charges is badly needed.

Yes, Mr. President, the adoption of sound budget principles is indeed badly needed. It is time that the Federal budget clearly distinguish between current operating expenses of the Government and capital outlays of the Government which contribute to the Nation's wealth and which in many cases are reimbursed in full with interest.

The only way by which the average intelligent Member of Congress or any other American can really make sense out of the Federal budget will be to ensure that those items which truly represent current expenditures are separated out clearly from items which genuinely represent investments upon which there will be either returns in principal and interest, or else productive public undertakings which represent real and potential income to the American public.

There is no sense in continuing to lump expenditures for old-age assistance, for example, which is a true current expenditure, with investments in FHA home mortgages, or loans to farmers and small-business men, which are heavily secured with collateral. It is time that we stopped lumping expenditures for paperclips with investments in public power projects.

A good example of this confusion are the reports on the area redevelopment bill which we passed on Monday of this week. One of the Nation's leading papers, in a front-page story headed "Senate Approves $389 Million in Aid to Jobless Areas," stated: "The Senate vote was a jolt to the administration's plan for a budget balanced at about $77 billion."

Now I am not blaming this fine newspaper for such a report, misleading as it is. Under our archaic budget reporting system the story is understandable. If we had an up-to-date capital budget system, however, the public would not have been left with the false impression that this bill was costing the taxpayers $389 million. The public would have been correctly informed that $300 million of this $389 million figure is in loans to be repaid to the Government in full with interest. Surely a distinction should be made between such loan programs and expenditures for current operations of the Government or for grants which must come out of tax revenue.

When a company makes a loan, this is considered an investment. It is not put down as an operating expenditure. When the Government makes loans, however, such as through the Small Business Administration, the Development Loan Fund, and the Rural Electrification Administration, such investments are lumped together with current operating expenditures of the Government. No distinction is made. This is not only bad bookkeeping, but it is also misleading the citizenry.

Last year in the emergency housing bill we authorized the Federal National Mortgage Association to use $1 billion with which to purchase home mortgages. Immediately the cry was raised that the Congress was spending a billion dollars. No mention was made of the fact that the Government was gaining a billion dollars in assets or that this billion dollars would be paid in full with interest. No, as far as the public knew, from newspaper reports and the charges of reckless spending, the Congress had simply spent a billion dollars for which there was nothing to show and which the taxpayers would have to pay. This, of course, is simply not the case. A capital budget would have shown in a true light that the Government in this case invested $1 billion, and gained $1 billion in assets.

A capital budget is used by business firms and by most all of our first-class cities and many States. It should also be noted that many countries such as England and Sweden use a capital budget. In these countries current operating expenses of the government and outlays for military equipment and relief measures are kept distinct and separate from capital outlays. Capital outlays, in turn, are broken down into two parts: First, outlays for nonrevenue producing public works such as public buildings, parks and monuments, and second, outlays which are revenue producing such as loan programs and power works projects.

The budget in these countries is considered balanced when tax revenues are sufficient to cover all regular operating expenses, interest payments on the public debt, and amortization of nonrevenue producing capital outlays. Self-liquidating capital outlays are excluded from the regular budget.

The U.S. News & World Report in an article in its January 16 issue entitled "U.S. Budget: How To Turn a Deficit Into a Surplus," estimates that with a capital budget we would have a surplus of $9 billion in fiscal 1960.

This is not to say that by simply juggling the account books we would thereby save $9 billion next year. The Government would be spending the same amount under the present budget system as under a capital budget accounting system, and revenues would be the same. But what a capital budget would do is give us a more realistic appraisal of Government spending and investments and we would not be lumping outright spending with revenue producing investments.

If adoption of a capital budget did nothing else, I am confident that it would at least help to dismiss the erroneous impression that Government expenditures, unlike those of private firms, and regardless of their purpose, offer no permanent achievements.

We have been lulled and propagandized into believing that there is basically something wrong and unproductive about Government spending.

When one of our great American corporations announces that it is expanding its capitalization and operating capacity through issuance of securities, we consider it an example of forward-looking business practice, but if the Federal Government announces a new program of investment in small business loans or in public works, the inevitable cry goes up of "spending."

I believe that in discussing government spending we could do with less slogans and less namecalling and engage instead in a little more rational discussion of fiscal matters. Adoption of a capital budget would, at least, be a step in this direction.

In conclusion, Mr. President, may I say that I hope this Congress will seriously consider adopting a capital budget. It was needed 10 years ago when recommended in the first Hoover Commission report. The need is greater today.

I ask unanimous consent that the article on the capital budget to which I have made reference, from U.S. News & World Report, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. BUDGET: HOW TO TURN A DEFICIT INTO A SURPLUS

Now there's a new angle on how to rescue the Federal budget: Just change the bookkeeping.

One plan: Omit Federal corporations from the budget. Another: Set up a separate budget for loans and capital outlays.

These ideas, urged by some, still draw objections from many.

This thought is dawning on some Members of Congress who have ideas for new programs that cost money: Maybe the Government's finances are not in such bad shape after all.

Back of that thought are two ideas. One is that the Government might return to the method of accounting used before 1947. Second is the idea that this country might follow budget practices of Great Britain, many other countries, and some of the States.

Idea No. 1. The first thought calls for separating financing and operating costs of Government corporations from the operating budget. This method of accounting was fol-

lowed until 1947. Under it, loans made by the Export-Import Bank, for example, or the Small Business Administration, or mortgages purchased by the Federal National Mortgage Association would be treated as assets, not as current spending.

Apply idea No. 1 to President Eisenhower's budget for the 1960 fiscal year, and what now is projected as a budget exactly in balance would become a budget with about a $6 billion surplus. The budget, in other words, would be better than balanced. Assets under this type of budget accounting would become expenditures only if sold at a loss.

That type of accounting was changed in 1947 because Congress wanted to get a firmer hold on finances of Government corporations, particularly the Reconstruction Finance Corporation, which was then making vast loans to all kinds of enterprises.

Idea No. 2. A second idea calls for setting up a separate capital budget. A form of this type of budget is used in Great Britain, where financial methods are regarded as conservative. In Britain there are two budgets, referred to as the budget above the line and the budget below the line. Operating expenses of the Government, generally speaking, are above the line and the goal is to balance those expenses with revenue. Capital expenditures of Government in many categories are carried below the line and are not necessarily balanced in any one year.

Apply a rough approximation of the British budget practice to the U.S. budget and you would have a surplus of about $9 billion in the operating budget for the 1960 fiscal year.

The two ideas, being eyed by some in Congress, suggest that there is more than one way to make a budget that is balanced.

ARE LOANS EXPENSES?

Some Members of Congress note this: If the Government buys a mortgage that helps finance construction of a house, the cost of the mortgage is listed as a current expenditure. If an individual or a bank buys a mortgage, it is listed as an earning asset. In one case the money is treated as being spent, in the other case the money is invested.

Much the same is true of the billions that go to farmers as price-support loans. When these loans are taken over by the Commodity Credit Corporation, they are reported as Government expenditures. Actually, some portions of these loans return to the Government when the crops are sold. The returns then are reported as a credit to CCC. Supporters of a capital budget propose to separate crop loans from the operating budget.

The separation also would apply to activities of the Federal National Mortgage Association, the Export-Import Bank, the Development Loan Fund, the Small Business Administration, the Rural Electrification Administration, and other Government agencies engaged in lending. The capital budget also would include Government outlays for dams and irrigation projects, atomic-energy installations, and perhaps Government buildings.

With these expenses reported in a separate budget, the day-to-day costs of operating the Government would drop sharply and the operating budget would produce a surplus.

THE OPPOSING VIEW

Those Congressmen who look with favor on a double budget, however, are sure to run into stiff opposition. Powerful groups in House and Senate believe that Congress even now does not have enough control over Government spending, fear that a capital budget would weaken that control still more.

Main objections to a capital budget are these:

However you account for money invested in assets, the fact remains that money flows out of the Treasury. It's preferable to treat this outflow as a current expenditure because the money actually is spent.

The tendency under a capital budget will be to borrow money to finance such things as public works and foreign loans. This tendency, in the opinion of those who oppose a capital budget, would add further to debt problems that already are troublesome enough.

Capital spending may be overemphasized because of pressures from various groups and areas for special benefits, such as river developments and urban-renewal projects. Opponents of a capital budget point out that these pressures would increase if the cost of a project were not reported as a current outlay.

Finally, a capital budget is said by critics to mislead officials and the public about the real state of Government spending. As a result, they argue that excessive spending may be encouraged and taxes too often reduced below adequate levels. This practice would be dangerous in times of inflation.

PROPONENTS' REBUTTAL

Supporters of a capital budget begin where the critics leave off. They make these arguments:

The true costs of Government are distorted by the budget as now reported. Government spending for such things as the Tennessee Valley Authority or the rural electrification program should be separated from the operating costs of Government. Projects such as these eventually produce revenue.

The budget that should be balanced is the budget that covers only the present and continuing costs of operating the Government.

Borrowing for such things as public housing or developing the Colorado River is held to be financially sound because the Governments gets assets for the money spent. However, critics point out that some assets are not earning assets. Their amortization would appear as spending in the operating budget.

Since Government spending for public improvements is not a waste but a purchase of assets, proponents say, a capital budget gives the public a clearer picture of what the Government is doing to add to productive capacity.

It is at this point that critics of a capital budget take sharp issue. They contend that spending by the Government already is ruinously high, that adoption of a capital budget would simply tend to encourage reckless spending.

CASES IN POINT

However, Congressmen who look with sympathy on a new type of budget can cite some present practices to bolster their arguments.

The Federal-highway program is carried on outside the regular budget. Money for new superhighways comes out of a separate fund and does not appear in the ordinary spending accounts of the Treasury. At the same time, the funds to support that spending also are treated separately. Receipts from gasoline taxes and some other levies are earmarked for the highway fund.

The Government's huge social security system, covering millions of people for old-age pensions and State unemployment insurance, also is outside the budget. Money for these programs, raised through payroll taxes, is placed in a special trust fund administered by the Treasury but not regarded as a part of ordinary Government revenues. Payments to pensioners or the unemployed under State programs are not reported as budget outlays.

Both the highway program and the social security program have their own financial bases, and supporters of a capital budget argue that there is no reason why the same system could not apply to other programs. Power dams and rural-electrification projects, for example, might be financed through revenues to be received in the future.

In any event, many Congressmen, favoring projects that carry rather high price tags, are willing to take a new look at the way the Government accounts for its income and outgo.

Mr. HUMPHREY. I also ask unanimous consent that the text of the bill which I have introduced be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1560) to provide for the adoption of a capital budget by the Federal Government, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Capital Budget Act of 1959."

SEC. 2. In transmitting to Congress the estimates called for in section 201 of the Budget and Accounting Act, 1921, as amended, the President shall separate operating expenditures from capital expenditures, using such definitions and such detail as he deems appropriate.

Mr. MORSE. Mr. President, the comments which the Senator from Minnesota has made are music to my ears. I am sure that the Senator is aware of the fact that I have a capital budget bill pending. I have made three speeches thus far in this session in support of a capital budget. I am delighted to have the Senator from Minnesota join me. I wonder whether he would give consideration to the text of my bill and look over his bill, and see whether we liberals can get together for a change and join forces on such a bill. Perhaps the Senator might find it to our mutual advantage to become a cosponsor of my bill; or, on the other hand, I might become a cosponsor of his bill. After all, it is the objective we have in mind which is important.

I have been somewhat jocular in my remarks up to this point. Seriously now I wish to say that I am delighted with the statement the Senator from Minnesota has made about the desirability of a capital budget.

It is probably a good thing to have both bills pending. It ought to give double emphasis to the proposal. The committee can compare the phraseology of each bill and decide which one it should consider and recommend, or modify both of them, or consolidate them into one bill. The important thing is that the Senator from Minnesota has added his great influence to the objective of setting up a capital budget, which, after all, is the goal we have in mind. I thank the Senator very much for his comments.

Mr. HUMPHREY. I say most respectfully that I knew the Senator had addressed himself to a capital budget proposal. I did not know, however, that he had introduced a bill. I have introduced bills similar to the one introduced today in every Congress for 10 years. I shall continue to do so until some kind of capital budget proposal is adopted.

I first introduced my bill in April 1949. Since we will not be in session the early part of April 1959, I thought that I should introduce it in the latter part of March 1959. I shall be more than happy to look at the Senator's bill. From what I have gathered from listening to his speeches, I take it that his bill is not only a capital budget bill, but also includes what might be called a developmental budget.

Mr. MORSE. That is correct.

Mr. HUMPHREY. That goes a little further than the proposal I have offered. Be that as it may, I am delighted to become an advocate of the Morse-Humphrey capital budget bill. All I can say is that if Congress does not want to take my advice, I hope it will take the advice of the Senator from Oregon, because the Senator's advice on this subject is sound and constructive.

I believe a capital budget, plus a developmental budget, is very much to the good and very much to be desired and would do a great deal to relieve many of the problems we have been confronted with this afternoon, namely those in connection with unemployment.

I shall look at the Senator's bill. Perhaps after the recess we can join in the introduction of a new bill; or I can associate myself with the Senator from Oregon, and we can push together, working in harness toward the adoption of our proposal.

Mr. MORSE. All we are asking is that the Government follow the advice of outstanding industrialists and business leaders. That is all we are presenting to the Senate in our bills and in the speeches in support of the bills. That has been the purpose of the recommendations since 1947 when I first introduced a capital budget bill in the Senate. That has been the advice of the outstanding industrial leaders of the Nation.

PROPOSED LEGISLATION TO IMPROVE MINING INDUSTRY MINERALS POLICY

Mr. ALLOTT. Mr. President, probably no industry vital to the national defense is in such a depressed condition as the mining industry. It would serve no purpose, nor could it be done accurately, to try and place the blame for this upon any one group of people or upon any one branch of the Government. The fact remains that an industry which must remain healthy and must remain active, has been going steadily down hill. The problem is larger than just how to continue extracting ore from the ground. It includes also the need to retain a wealth of know-how and competent workmen in the mining industry, and also the location and utilization of adequate reserves.

I am, therefore, introducing today three bills, which I shall discuss separately, not merely to help this segment of our economy, but to preserve for the United States an industry which must be kept healthy for the national welfare of our country. I have earlier sponsored legislation of interest specifically to the coal, beryl, chromite, columbium-tantalum, and fluorspar industries.

Mr. President, I send to the desk for appropriate reference a bill to establish a national mining minerals policy, and ask unanimous consent that it be printed in full in the RECORD upon the conclusion of my remarks on this subject, and also that it be held at the desk through March 30, so that any of my colleagues who wish to do so may join in sponsoring it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, it came to my attention shortly after beginning my services with the Committee on Interior and Insular Affairs that there were no laws which specifically placed responsibility for the economic health of the mining industry within the purview of the Interior Department. In the endless months of consideration of various mining legislation in which the Senator from Colorado has participated in the past 4 years, one fact has stood out above all others. That is that the Federal Government has no policy with respect to its mining industry. Is the policy of the Federal Government, for example, to keep the mining industry at its highest level of productivity? And if so, with tariffs, or quotas, or subsidies? The present laws obviously deny the existence of any such policy. On the other hand, is it the policy of the Federal Government to permit, through trade agreements, or otherwise, our minerals industry to subsist on a mere crumb of such minerals as may be left from competition with cheap labor countries abroad? Surely in the minds of every rational man the answer must also be "no." Yet no one can deny that, wholly aside from the possibility of nuclear warfare, Russia could effectively grind the industrial production of this country to a slow death in short order, unless we have an economically healthy minerals industry. Such an industry must have three main qualities:

First, it must have sufficient workmen skilled in mining production to produce a substantial part of the minerals we need for our development.

Second, it must be profitable enough so that the mines we now have will not be lost through abandonment and neglect. It must be healthy enough to attract capital to keep it in this condition; and

Thirdly, we must maintain and expand our mineral reserves to protect ourselves against the events of any national emergency. I should like to point out here, lest anyone believe I am simply making "scare-talk," that with all the concern about the results to civilization from nuclear warfare, there has been too little discussion about the present submarine capability of Russia. Even short of an all-out nuclear war, our imports of strategic materials, could be brought to a halt.

Many of us believe that keeping the mineral industry in healthy condition is possible if we announce to the world that we do have a policy, a definite policy, with respect to the soundness and stability of our mining industry. It is well known that a large segment of the people object to subsidies. Equally well known are objections to quotas and tariffs, the three traditional methods used to protect a nation's industry from the raw materials and products of cheap labor. Another, and entirely different way in which we may do this is to adopt, as my bill proposes, a definite national policy of support for this industry. By doing so, we could take a great step toward the achievement of international agreements concerning production without resorting to any of the three foregoing methods. This would protect and make healthy our own industry and at the same time protect foreign countries from overproduction by underpaid labor of cheap raw materials, which undercut the market of our American metals industry.

Mr. President, it is my purpose in introducing this bill to do the following:

First. Initiate the development of a Federal policy toward minerals—telling the world that it is our intention to proceed with such plans as will make possible its economically sound and stable development.

Second. To provide for the orderly development of mineral resources and reserves for industrial and security needs.

Third. To encourage mining, minerals and metallurgical development and to provide for the more intelligent use of our mineral resources.

Fourth. To place with the Secretary of the Interior the responsibility for carrying out the broad plans of policy outlined in this act, and the responsibility to report from time to time to the Congress on the state of the minerals industry, together with the necessary recommendations to achieve the aims of this act.

It is my hope that this session of Congress will give favorable consideration to this bill as a basic point of departure from which we may build our future mining and minerals program and to provide its direction.

The attainment and execution of the above purposes will have a global effect. Other nations, knowing our our national policy, may thus develop their own resources in a more orderly fashion resulting in a greater prosperity and a healthier condition for their own national economies.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1537) to establish a National Mining and Minerals Policy, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mining and Minerals Policy Act of 1959."

SEC. 2. The Congress declares that it is the continuing policy of the Federal Government in the national interest to foster and encourage (1) the development of an economically sound and stable domestic mining and minerals industry, (2) the orderly development of domestic mineral resources and reserves necessary to assure satisfaction of industrial and security needs, and (3) mining, mineral, and metallurgical research to promote the wise and efficient use of our

mineral resources. It shall be the responsibility of the Secretary of the Interior to carry out this policy in such programs as may be authorized by law other than this Act. For this purpose the Secretary of the Interior shall include in his annual report to the Congress a report on the state of the domestic mining and minerals industry, including a statement of the trend in utilization and depletion of these resources, together with such recommendations for legislative programs as may be necessary to implement the policy of this Act.

LEAD AND ZINC

Mr. ALLOTT. Mr. President, the lead-zinc producing industry remains in serious trouble. Most of the smaller operators are closed down and most larger firms are losing money continuously.

It seems possible, from everything I can learn, that the present difficult situation of the domestic lead and zinc producers will improve over the next year. The import quotas imposed by the President have not, as yet, had the effect that we had hoped, but several people, who are intimately connected with the domestic lead and zinc industry, have indicated that the outlook is encouraging for the next year. Certainly no domestic miner can make an honest living with the present prices of 11½ cents for lead and 11 cents for zinc. Consequently, I hope that this Congress will take the necessary steps to improve the situation if the price does not begin to move upward, in the very near future.

According to the Daily Metal Reporter for Saturday, March 7, the long-range lead and zinc outlook is encouraging. That paper quotes a preview of the 1958 annual report of the Bunker Hill Co., as follows:

> It is heartening to note that consumption of lead and zinc in Europe has greatly increased during the past few years and now exceeds that of the United States. (It continues to grow at a faster rate than in this country and yet the per capita consumption is still below our own.) * * * This indicates that within a few years increased European demand alone could absorb the current excess production of the world. Meanwhile, the necessity for protecting the domestic industry is obvious.

Mr. President, the lead-zinc industry first applied to the Tariff Commission for relief from imports on May 10, 1950. This was prior to the enactment of the escape-clause provisions. Relief was denied.

Again, on September 14, 1953, the industry applied to the Tariff Commission for relief under section 7 of the Reciprocal Trade Agreements Act. On May 21, 1954, the Commission unanimously found injury and recommended the maximum increase in duties. On August 20, 1954, because of strained international conditions, the President declined to approve that recommendation and instead initiated a program of defense stockpiling and subsequently a barter program. The barter program ended in May of 1957. The stockpiling terminated in late 1957.

Again, on September 27, 1957, the lead-zinc industry returned to the Tariff Commission, pleading for relief. In April 1958, the Tariff Commission unanimously found injury. Half of the Commissioners recommended the maximum duties. The other half of the Commission recommended the maximum duties and additionally the imposition of quotas based on 50 percent of the imports during the preceeding 5 years. While the Congress considered legislation recommended by the administration, the President suspended consideration of the Tariff Commission recommendations. Following a failure of Congress to act on that legislation, the President, on September 22, 1958, imposed quotas on lead and zinc imports based on 80 percent of the imports during an earlier 5-year base period.

Mr. President, in 1957 I was a sponsor and active supporter of S. 2376, submitted by Secretary Seaton, which would have established a graduated tariff designed to stablize the price of lead and zinc at about 17 cents per pound for lead and 14½ cents per pound for zinc. This was a companion measure to a House bill. Unfortunately, the Ways and Means Committee did not report out that bill. Because of the nature of that legislation, we could not even consider it here in the Senate, until after the other body acted on it.

Again, in 1958, I sponsored and worked hard, along with a number of other Senators, including the distinguished Chairman of our Committee, the Senator from Montana [Mr. MURRAY], and my good friends Senators BIBLE, CHURCH, DWORSHAK, and GOLDWATER, among many others, to get congressional approval of another bill submitted by Secretary Seaton, S. 4036. The Senate passed that bill by a vote of 70 to 12 on July 11, 1958. That bill would have authorized a program of production payments designed to stablize the domestic production of 355 thousand tons of lead at 15½ cents a pound and 550 thousand tons of zinc at 13½ cents a pound. The bill, as it passed the Senate, also included a second title, generally referred to as the "Allott small mines formula." That second bill would have given a slightly higher price of 17 cents per pound for lead and 14½ cents per pound for zinc, up to 100 tons per quarter, per producer. There were numerous indications that this part of the bill would have been of substantial assistance to our small lead-zinc producers.

S. 4036 also provided assistance to the tungsten, fluorspar and copper producers. Unfortunately, as my colleagues will recall, the other body declined to approve that measure when it came before them in the closing days of the 85th Congress.

As a result, our lead-zinc miners, who had first applied for relief from imports under section 7 of the Reciprocal Trade Agreements Act in 1954, for whom the Tariff Commission had twice recommended quota and tariff relief, reached a point where their backs were against the wall, where everyone recognized the injury from imports and where the various Federal agencies involved, including Congress, had passed the buck for 4 years without providing any relief. Thereafter, the President in September of last year, by Executive order under the authority of the Reciprocal Trade Agreements Act, imposed quotas on the importation of lead and zinc on a permanent basis. The quotas are based on 80 percent of the lead-zinc imports during a base period of 1951–57.

Immediately following that action, the prices of lead and zinc moved up significantly, but because of the extremely large reserves that had been collecting in this country over the last few years, the market has not, to this date, firmed up to anything like a realistic price level. There remains some question whether the 80-percent quota is adequate, but there is also some indication that the lead-zinc market will move upward. Our small lead-zinc miners, particularly, however, are still in trouble. In fact most of them are closed down. It seems to me that some immediate and temporary relief for our small lead-zinc miners is required. I, therefore, introduce for appropriate reference a bill to implement the Allott formula, which, during the last Congress was title 2 of S. 4036. This bill would provide a 1 year program of production payments on the very limited basis of 500 tons of lead and zinc per quarter from any one producer. It would authorize a payment to give lead and zinc producers the equivalent of a market price of 16 cents per pound of lead and 13½ cents per pound in the case of zinc on this very limited amount. Last year I had an official estimate that the maximum cost of the formula for lead and zinc would have been approximately $3.8 million. I believe the cost of this bill would be roughly of the same magnitude.

Mr. President, I ask unanimous consent that a table showing the sources of our domestic lead-zinc production be printed at this point in the RECORD. This table is taken from the Tariff Commission report on lead-zinc of April 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 32.—*Lead plus zinc: Mine production in the United States, by mines classified by size of output, 1956* [1]

Size of mine (in terms of short tons of recoverable lead plus zinc produced during year)	Mines		Production of recoverable lead plus zinc	
	Number	Percent of total number	Short tons	Percent of total production
Up to 499	557	80.0	27,248	3.0
500 to 999	27	3.9	18,750	2.1
1,000 to 1,999	29	4.2	41,984	4.7
2,000 to 2,999	24	3.4	61,544	6.9
3,000 to 3,999	13	1.9	46,607	5.2
4,000 to 4,999	9	1.3	41,901	4.7
5,000 and over	37	5.3	657,132	73.4
Total, all sizes	696	100.0	895,166	100.0

[1] This analysis includes all mines in the United States that produced any recoverable lead or zinc, regardless of their industry classification: hence, some production is included from mines producing ores valued chiefly for their content of metals other than lead plus zinc.

Source: Compiled from official statistics of the U.S. Bureau of Mines.

Mr. ALLOTT. Mr. President, I invite attention to the fact that this particular table, which is numbered table 32, shows that 557 of the mines in the United States, or 80 percent of the total number of mines, produce less than 500 tons of ore.

It is interesting to note in this table that in 1956 there were 696 lead-zinc mines in this country. Five hundred and fifty-seven or 80 percent of them produced only 3 percent of the total production. At the other extreme, 37 mines, or 5.3 percent of them, produced the 73.4 percent of the total lead-zinc production in this country. The production payments authorized by the bill I now introduce are designed primarily to assist the 90 percent of our lead-zinc producers who produced in 1956 approximately 16 percent of the total 900,000 short tons of lead and zinc. Of course, these payments would not be restricted to these small producers, but would be of particular importance to them. On the other hand, these payments would apply to such a small percentage of the production of this country that the effect on the domestic price, the world market price, and accordingly on the economies of our neighbors, would not be significant.

Although most of the small mines are closed, the price level provided in my bill is approximately the same which produced this industry structure.

Mr. President, if the assumption that the lead-zinc market will improve in the next year or so is incorrect, I shall be the first to admit it, as I do not profess to be a soothsayer. On the other hand, in view of the report of the Bunker Hill Co. and others, the outlook is encouraging. It seems to me that the Federal Government should give the quotas imposed by the Executive order a chance to operate, before any drastic action is taken.

In this regard, another approach to solving the lead-zinc problem will be submitted in the near future by Senator MURRAY and others—a stabilization plan for lead and zinc designed along the lines of the Sugar Act and including a directive to utilize the barter authority so far as possible. Where an extensive Government program is required, the Sugar Act approach has much to commend it. As a matter of fact, I utilized the same approach in my own S. 1285, to stabilize the fluorspar market. I plan to cosponsor that legislation. The barter provisions of that bill will probably be needed whatever approach is taken by Congress.

However, I honestly believe that unless hearings indicate that there is no possibility for the lead-zinc picture to improve, we should give the present quota program a full trial with only this limited and temporary program that I am offering to help our small miners over the very tough situation they are presently facing. On the entire mining program, I have an open mind and will give serious and thoughtful consideration to any and all proposals to stabilize the mining economy. But, I must remain true to my overriding belief that the best program we can enact is the one that will do the job with the least possible interference in the normal activities of the people and firms involved. The bill I have introduced meets that criteria.

Mr. President, I ask unanimous consent that the bill be printed in full in the RECORD, and that it remain at the desk until March 30.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1538) to stabilize production of lead and zinc from domestic mines, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this Act, the term—

(1) "Secretary" means the Secretary of the Interior;

(2) "Producer" means any individual, partnership, corporation, or other legal entity engaged in producing ores or concentrates from domestic mines and in selling the material produced in normal commercial channels;

(3) "Sale" means a bona fide transfer for value of ores and concentrates from a producer to a processing plant;

(4) "Domestic mine" means any single operating unit producing ores from properties located within the United States, its Territories, or possessions, and operating in one State or mining district;

(5) "Newly mined" means domestic material processed into concentrates or severed from the land subsequent to the effective date of this Act, but shall not include material recovered from mine dumps, mill tailings, or from smelter slags and residues derived from material mined prior to such effective date; and

(6) "Quarter" means the calendar periods commencing on the first day of the months of January, April, July, and October.

SEC. 2 (a) The Secretary is authorized and directed to make stabilization payments to producers of ores or concentrates of lead or zinc produced from domestic mines, as provided in this Act; but no such payment on the recoverable content of any such ores or concentrates shall exceed 4½ cents per pound in the case of lead, or 2½ cents per pound in the case of zinc.

(b) Such payments shall be made to any producer upon presentation of evidence satisfactory to the Secretary of a sale by such producer of newly-mined ores or concentrates of lead or zinc at a time when the market price of the material produced therefrom was (1) less than 16 cents per pound, New York, New York, in the case of common lead, or (2) less than 13½ cents per pound, East Saint Louis, Illinois, in the case of prime western zinc. The amount of any such payment shall be equal to the difference between the amount actually received by such producer from such sale and the mine share which the producer would have received if the market price of the material produced therefrom at the time of sale had been equal to the prices indicated above. The mine share, in the case of a sale of lead ores, shall be a dollar amount equal to 75 per centum of the product of the number of pounds of lead ores sold and 0.16, and, in the case of a sale of zinc ores, shall be a dollar amount equal to 55 per centum of the product of the number of pounds of zinc ores sold and 0.135.

(c) Payments under this Act shall not be made in any quarter to any producer with respect to more than (1) five hundred tons of lead ores or concentrates and (2) five hundred tons of zinc ores or concentrates.

(d) Sales of concentrates produced from ores sold to a mill or processing plant in accordance with regulations issued pursuant to this Act shall not be considered as the sales of the owner of the mill, but shall be considered as the sales of the producer of the ores.

(e) If a producer further processes the ores or concentrates of lead or zinc without effecting a sale, the equivalent and competitive market value of such ores or concentrates, as determined by the Secretary, at the time of such further processing shall be used in lieu of the amount which would have been received in the case of a sale, for the purpose of computing payments.

SEC. 3. (a) The Secretary may make such rules and regulations and require such reports as he deems necessary to carry out the provisions of this Act.

(b) The Secretary may delegate any of the functions authorized by this Act to the Administrator of General Services.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 5. This Act shall take effect on the first day of the first quarter next following the date of its enactment, and shall terminate on June 30, 1960.

GOLD

Mr. ALLOTT. Mr. President, I introduce for appropriate reference a bill to create a limited free market for gold by prohibiting sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold, in order to restore to the gold industry a condition of competition in the nonmonetary market for gold. Due to the Gold Reserve Act of 1934, the Treasury may buy and sell gold at the price of $35 an ounce, plus or minus handling costs. The mining industry must pay the labor and operating costs of 1959 while facing a price for gold established by the Treasury in 1934. The depressed state of this industry today is mute evidence to the insufficiency of the price. The commercial and artistic users of gold are receiving a subsidy at the expense of the gold mining industry through the enviable position of producing for 1959 prices from raw material available at a fixed 1934 cost.

Gold has essentially two uses; as a commodity, and as money or a monetary stock. This bill is not to change the monetary gold stock of the Nation other than to restrict it from affecting the commodity price of gold by being brought into competition for the internal commercial market. The rules established by the Treasury under the authorization of the Gold Reserve Act of 1934 as to the ownership, transportation, sale or Treasury purchase price of gold would not be affected. Provisions as to importation or exportation would be unchanged. Because of this the value of the dollar in international transactions would not be influenced adversely.

The intent of this bill is with relation to the marketing of gold in its use as a commodity. The passage of this measure would enable gold produced domestically to compete for the industrial and artistic market and to establish a competitive price reflecting the expense of producing gold under the labor and operating costs of today. In this way the gold mining industries would be able to receive a price for their product commensurate with the cost of production

and a stimulus would be injected into the depressed mining industry.

Mr. President, there are again a number of bills concerning gold before the Congress. I have a great deal of interest in the bill, S. 590, introduced by Chairman MURRAY, to establish a completely free market for gold. I have some concern about the possible inflationary aspects of that bill, but if thorough investigation indicates that inflation is not a significant problem, I would support that legislation. I hope that in the ensuing discussions of the problems related to gold, if the monetary and fiscal ramifications of the Murray bill make it unpalatable to a majority of this Congress, the Congress will consider the possibility of a limited free market for gold, as provided in this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD and that it remain at the desk until March 30, so that Senators who may wish to do so may join as cosponsors of it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1539) to prohibit sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all gold held or bought by the United States Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and no gold shall hereafter be sold by the Treasury or by the Federal Reserve banks, or for the account of the Treasury or of such banks, directly or indirectly, in the United States, its Territories or possessions, for the purpose of depressing the market in gold or lessening the price and value of gold.

REQUEST FOR YEAS AND NAYS ON EASTER RECESS RESOLUTION

Mr. BRIDGES. Mr. President, I ask unanimous consent that when the resolution for an Easter recess comes before the Senate, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

INCREASED MAXIMUM EXPENDITURE UNDER THE SPECIAL MILK PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 643, Calendar No. 100, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 132, House bill 5247.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I am delighted that the acting majority leader has moved to take up House bill 5247. It is necessary that the Senate act quickly on this measure, in order that some American schools may continue to provide needed milk for their school children.

Mr. MANSFIELD. Mr. President, the purpose of this bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85–478. The law now authorizes the use of not to exceed $75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to $78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its present level.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. First, let me say that it is my understanding that the Department of Agriculture has interposed no objection to the proposed legislation; but in order that the RECORD may be clear, I ask my friend, the able acting majority leader, to confirm this statement: Is it not true that this bill, if enacted, will not require any additional appropriation?

Mr. MANSFIELD. That is correct.

Moreover, the bill was reported unanimously by both the House and Senate committees.

Mr. KUCHEL. I thank my friend.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BRIDGES. May I ask the Senator the explain briefly what the bill proposes to do?

Mr. MANSFIELD. I have explained that previously. The purpose of the bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program previously authorized. The proposed legislation is permissive.

Mr. BRIDGES. I thank the Senator. I do not want any legislation to go through in the closing minutes of this session today unless it is unquestionably meritorious. I think probably this proposed legislation is, and I interpose no objection.

Mr. MANSFIELD. As usual, the Senator is very watchful of the public purse.

This bill was cleared with the minority leadership and the minority members of the Committee on Agriculture and Forestry before it was brought up. It is in line with our statement that we would bring up nothing for a vote aside from the unemployment compensation bill, which was the pending business. We announced that nothing of a controversial nature would be brought up.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 5247) was ordered to a third reading, read the third time, and passed.

PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases	2,050	2,221	2,889	3,610
Persons	8,858	9,650	12,731	16,267
Children	6,817	7,385	9,733	12,509
Average grant:				
Per family per month	$109.39	$114.08	$123.24	$146.71
Per person per month	$25.32	$26.26	$27.97	$32.56
Old age assistance:				
Cases	3,064	2,980	3,131	3,135
Average grant per month	$53.61	$56.51	$56.13	$60.09

	Monthly grant, percent change per case, 1956–59	Increase in monthly grant, 1956–59
ADC:		
Family	134.1	$37.32
Person	128.6	7.24
OAA (case)	112.1	6.48

NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

I am sure however, that none of us is laboring under the misapprehension that what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings, the harvest of humanity to man is far in the future. Much remains to be done.

It should be a matter of common sense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

Marian C. Behr, in the School Executive, reported, for example: "Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievements tests, the ones serving a balanced lunch to most of their children invariably have the highest scores."

Jane M. Leichsenring, in the Minnesota Journal of Education, stated: "In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent."

House Report 684, 79th Congress, in 1945, reported:

"U.S. CONGRESS—HOUSE COMMITTEE ON AGRICULTURE—SCHOOL LUNCH PROGRAM

(Report to accompany H.R. 3370, Washington, U.S. Government Printing Office, 1945 (79th Cong., 1st sess., House Report No. 684, pp. 2, 9))

"Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development, but in their educational progress. This improvement takes place on all income levels, inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished yet not hungry.

* * * * *

"EXHIBIT A—WAR FOOD ADMINISTRATION, COMMODITY CREDIT CORPORATION (OS)

"Effects of school lunch upon scholastic status, Camden, Mo.

	Scholastic grade points [1]			Per cent change
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (52 children)	1,056	1,055	-------	−0.09
Group II (75 children)	1,614	-------	1,763	9.23

"Effect of school lunch upon attendance, Camden, Mo.

	Percent daily attendance of enrollment			Gain in per-cent attendance
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (10 schools)	69.18	70.54	-------	1.36[1]
Group II (10 schools)	79.99	-------	84.34	13.35

"[1] A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0."

I do not wish unduly to prolong this line of testimony, Mr. Chairman, and I shall conclude with a citation from a study carried on in an adjoining State.

"Todhunter, Elizabeth Neige. 'Everyday Nutrition for School Children'. University of Alabama, Extension Division, 1949, pages 42–43.

"Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, Group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests.

"Diet does make a difference.

"Diet makes a difference in both old and young but more particularly in the growing child."

Having laid this basis, I now pose the question: Granted that an adequate diet will improve the learning situation, to what extent ought the lunch program in the District elementary schools be expanded?

Seven hundred are now being given cold lunches on a pilot program from voluntary contributions. The Commissioners are asking that the program be limited to 1,000 children. The Board of Education asks you for funds to meet the need of 7,000 children. In arriving at your determination, I ask you to be mindful of the fact that there are, according to a study made by Gizella Huber, the economic consultant to the Junior Village project, 11,520 families with 45,775 children living in the District, whose family income is less than $3,000 per year.

A table incorporated in our hungry children hearings is of especial significance in this regard. Of 285 non-public-assistance families certified for surplus food in September, 27 families had no income because both parents were unemployed. In 48 families the mother was the head and she was unemployed and there was no income. I submit the full analysis for your inspection, with the thought that children being cared for by aunts and grandmothers whose own income is about $60 to $69 a month might very possibly need a free lunch at school.

Average monthly income of 285 non-public-assistance families certified for surplus food, September 1958

Type of family	Number of families	Average income
Families with 2 parents	155	-------
Fathers and mothers working	4	$235
Fathers only working or in the Armed Services	101	209
Fathers unemployed but getting income [1]	13	112
Mothers only working	10	91
Parents unemployed and without income	27	-------
Mother-headed families	125	-------
Mothers working and also getting support from fathers of children	5	155
Mothers working	36	145
Mothers' income from wages plus other sources [2]	9	136
Survivor benefits, unemployment compensation, etc	8	109
Absent fathers contributing	19	60
Mothers not working and without income	48	-------
Other homes	5	-------
Grandmother caretakers [3]	2	-------
Uncle and aunt caretakers [4]	1	60
Aunt caretakers working [5]	1	147
	1	69
Total number of families	285	-------

[1] 10 unemployed fathers are getting unemployment insurance or compensation; 2 are getting veteran's benefits; and 1 is getting a Government pension.

[2] Survivor benefits from deceased husbands or old age insurance of mother's parent living in the home.

[3] 1 grandmother is taking care of 3 children while the mother, who was their sole support, is in jail. Another grandmother is taking care of her daughter's 2 children. The latter does not live in the home and makes only sporadic contributions toward her children's keep. The grandmother (42 years old) is unable to work; her boy friend pays the rent.

[4] This couple is caring for 4 children whose mother deserted and whose father is in a veterans' hospital. The only income of the home is a $60 monthly veterans' benefit payment to the uncle.

[5] 1 aunt, caring for a young nephew, earns around $69 a month, her sole income. (Her husband is in jail.) She applied for public assistance, but was rated ineligible.

In these matters, I hope that the subcommittee will, as a minimum, provide the funds requested by the school authorities for this program, because in my judgment, far more than public assistance children need and can profitably use the free school lunch.

Which brings me to the second point in this area. I confess to a bias in favor of the teacher who is in daily contact with the child as being a good judge of whether the child is, or is not, in need of nourishment. I would suggest to the subcommittee that in the procedure established for determining eligibility for the lunch program that the presumption be that a child certified by the school is eligible and that he or she be given the lunches during the period that a social work investigation is carried on. In matters of this type, it is better to err upon the side of overfeeding rather than underfeeding the child. I think that there is no basic incompatibility between the school and the welfare authorities. Each supplements the work of the other.

I also wish to submit a table prepared by the Department of Agriculture showing the number of free or reduced-cost meals served children in the various States. Particularly, I feel that with this background, no criticism could be leveled at the committee if a full program were financed.

Comparison of free or reduced price meals with total meals served, by States and area, 1957–58

State	Total meals served	Free or reduced price meals	
		Number	Percent of total
	(1)	(2)	(3)
Northeast:			
Connecticut	17,755,368	608,692	3.4
Delaware	3,115,760	95,075	3.1
District of Columbia	10,668,191	131,024	1.2
Maine	10,106,488	1,136,257	11.2
Maryland	25,400,258	1,166,418	4.6
Massachusetts	39,053,357	3,350,005	8.6
New Hampshire	5,652,083	424,421	7.5
New Jersey	23,403,599	1,813,093	7.7
New York	124,264,410	34,040,120	27.4
Pennsylvania	78,027,069	4,272,606	5.5
Rhode Island	4,555,766	154,534	3.4
Vermont	3,685,770	427,547	11.6
West Virginia	26,607,444	3,806,223	14.3
Area	372,295,563	51,426,015	13.8
Southeast:			
Alabama	52,281,844	3,772,903	7.2
Florida	65,415,646	3,653,138	5.6
Georgia	71,466,046	5,884,927	8.2
Kentucky	48,954,380	6,302,093	12.9
Mississippi	33,936,153	3,255,218	9.6
North Carolina	86,371,362	5,956,762	6.9
Puerto Rico	41,407,242	41,316,305	99.8
South Carolina	46,179,228	4,681,901	10.1
Tennessee	56,502,900	6,840,508	12.1
Virginia	51,396,193	3,921,485	7.6
Virgin Islands	813,546	813,546	100.0
Area	554,724,540	86,398,786	15.6
Midwest:			
Illinois	69,531,506	3,846,810	5.5
Indiana	47,566,176	2,322,377	4.9
Iowa	38,682,951	1,426,264	3.7
Michigan	49,410,723	4,989,912	10.1
Minnesota	48,341,637	2,071,759	4.3
Missouri	51,780,238	2,751,025	5.3
Nebraska	12,170,638	778,327	6.4
North Dakota	8,459,575	1,086,321	12.8
Ohio	85,685,483	3,692,139	4.3
South Dakota	6,287,379	771,778	12.3
Wisconsin	33,535,684	2,606,992	7.8
Area	451,451,990	26,343,704	5.8
Southwest:			
Arkansas	31,209,159	2,913,575	9.3
Colorado	17,296,500	791,245	4.6
Kansas	23,074,507	407,340	1.8
Louisiana	88,159,296	13,084,732	14.8
New Mexico	9,404,143	1,024,042	10.9
Oklahoma	29,558,004	3,601,612	12.2
Texas	90,200,776	6,706,604	7.4
Area	288,902,385	28,529,150	9.9
Western:			
Alaska	1,227,401	123,824	10.1
Arizona	14,942,522	1,557,308	10.4
California	96,067,096	4,166,836	4.3
Guam	96,141	1,301	1.4
Hawaii	15,837,813	544,665	3.4
Idaho	8,944,635	400,875	4.5
Montana	7,040,631	428,538	6.1
Nevada	1,671,744	250,050	15.0
Oregon	20,334,226	651,536	3.2
Utah	13,756,484	597,890	4.3
Washington	31,540,819	1,359,419	4.3
Wyoming	3,736,209	101,131	2.7
Area	215,195,721	10,183,373	4.7
Total	1,882,570,199	202,881,028	10.8

Comparison of free or reduced price meals with total meals served, by States and area, 1957–58—Continued

The $817,000 needed to finance the school lunch program is a large item for a tight budget. I understand that the House has approved some $266,000 for the lunch program. I urge that the full amount requested by the Board of Education for the school lunch program be allowed. In addition, I ask that the funds for this purpose be independently earmarked. Certainly any reallocation of funds which will take from the teaching staff teachers needed to reduce the number of part-time classes would be false economy. One major reason for having children well fed is so that they may profit from the education being provided. To nullify this worthy objective by providing fewer teachers is most short-sighted.

Where should the money come from? This question is basic to your work. My first answer would be from the Federal payment. Here is one Senator who does not believe that the Federal payment is adequate as it has been appropriated in the last decades. I do not share the philosophy that the payment should be geared to real-estate tax equivalents either. As the Senator from Rhode Island will recall in a floor colloquy upon the fiscal 1959 appropriation bill, I set forth my reasons for believing that the full authorized Federal payment should be appropriated. These reasons were based in part upon the limitations of the District with respect to taxing the principal employer in the District—the Federal Government. Other restrictions, such as the height of buildings which may be built, because this is the Capital of the Nation cannot be changed by the District government and hence revenue from private operators otherwise available in other areas, cannot be realized by the District government. There is the undeniable fact, that middle and upper income families whose income is derived from employment in the District yet who live in the suburbs, cannot be effectively reached by tax levied by the District. The District cannot extend its boundaries, as can other metropolitan cities. For all of these reasons and others which involve the Federal Government, I would hold that of all the impacted areas in the country, this child of the Union, deserves and should have liberal financial treatment from the Congress in the matter of a full Federal payment.

With the permission of the subcommittee, at this point in my prepared statement, I wish to digress for a moment to discuss testimony presented this morning to the Public Health Subcommittee by Mr. Shea of the Department of Public Welfare of the District.

It concerns, not the regular appropriation bill, but the supplemental bill which passed the House yesterday. Mr. Shea informs us that to live within the money provided by the supplemental it will be necessary for his department to curtail public assistance grants by 15 percent for the months of April, May, and June.

To do this would be to place on those unfortunate families, the children and the aged the burden of making up for the money that the Congress does not appropriate under an existing authorization. This is just not morally right in my opinion. We created the deficit by legislation, we ought to pay the cost. I realize that this subcommittee does not have the supplemental before it at this time, but it will be before the Senate Appropriations Committee in the near future, and I shall appreciate very much your bringing to the attention of the committee at the time it does consider the supplemental request my remarks this afternoon.

The question will be asked, Why cannot the savings be made in personnel costs rather than from the welfare budget? Testimony given to my subcommittee was to the effect that curtailment of services and an austerity program was initiated last February when it was foreseen that the present year's appropriation for welfare cost would be insufficient to meet the need. To further curtail personnel services would have the same result as the reduction in the welfare grant. It would come out of the service on a minimum basis that is now provided.

When, for example, you have 2 employees looking after 82 congenital mentally deficient hospitalized patients now in a 24-hour day, is it reasonable to suppose that you can, without inviting tragic consequences, reduce this number of employees to one?

A $12,500 item budgeted for homemaker service to families where the mother has been hospitalized or incapacitated was necessarily diverted by Mr. Shea to the welfare payment funds as part of the austerity program. What are the future costs, Mr. Chairman, of the disruption of a family in this category? If the children are taken to the District institution, testimony shows that because of overcrowding it was necessary to transfer these dependent children to a juvenile delinquent institution. Is this the training and rehabilitation we want? I ask in all sincerity, that when you consider the dollars and cents involved you keep in mind the human beings that make up the budget statistic.

I certainly feel quite strongly that wherever the Congress, by act, has increased the cost of operations, as we did when we raised the salaries of employees last session, we have a duty to provide funds to meet such costs. To place the health, education, protection, sanitation, and welfare services of a city in jeopardy through denial of funds this late in the operating year is shocking. I would certainly add my voice to those who are and will be asking for a restoration of these vitally needed funds. I hope that the House will take corrective action to restore them, but in the event that this does not occur, I trust that together with your colleagues you will seek to do so when the supplemental bill comes before your full committee.

As I have said, my first suggestion and I would urge it as strongly as I can, is that the needed funds be made available from the Federal payment using if necessary all of the authorization of $32 million. Only, if this is absolutely impossible do I advance the thought that the subcommittee explore with care other items now approved.

Particular attention may with profit, perhaps, be given to the highway construction program, badly needed though it may be. I am advised that although the Federal participation in construction and condemnation

costs make this an attractive area for expenditure, it does have the effect of removing from the tax rolls property now paying real estate taxes. A modest postponement in this area could realize, from presently existing revenues, sufficient funds to defray the school lunch program costs.

My values may be challenged by some, but I believe that our children are more important resources for the future of the Nation than would be the construction of a parking facility for State Department employees, originally asked for by the Commissioners. The cost of each program is about $800,000. Surely, if the site for a parking place is to be secured for the use of the Department of State this is a charge to be borne by the State Department appropriation rather than the District.

There are other areas in the budget for the District which are curtailed for which I would ask your sympathetic reconsideration, but I especially plead for adequate funds and employees to do the major job of taking care of our children in the schools, both educationally and nutritionally, and in the home through meeting the welfare needs for the underprivileged groups upon a basis which is at least consistent with health and decency. Prenatal clinics to reduce our shocking infant mortality rate will, I am confident, receive your attention as will the provision of a high standard of medical care for our indigent.

I appreciate having had the opportunity to appear before you.

Mr. MORSE. Mr. President, I have placed my statement in the RECORD in order to emphasize a very sorry condition which confronts the District of Columbia, caused for the most part, in my opinion, by the dereliction of Congress to perform its clear duty, due in part, as my statement points out, to a failure on the part of the Commissioners of the District of Columbia to recommend a program of the magnitude which common humanity calls for, a program to feed hungry children.

Two years ago, the Subcommittee on Public Welfare, Health, Education and Safety of the Committee on the District of Columbia, of which I am the chairman, conducted hearings which lasted several weeks. The hearings succeeded in focusing the attention of Congress and of the Nation, for that matter, on the sordid but true fact that many children in the District of Columbia were living out of garbage cans, refuse dumps, and table leavings, when they could find them, of families in their areas who threw away scraps of food.

At first it was hard to believe that such a condition existed. When the witnesses who came before my subcommittee first so testified, there was a reaction on the part of many to the effect: This simply cannot be true. But it was true. Our committee hearings demonstrated it beyond question of doubt.

It will be recalled that 2 years ago, as a part of our hearings, my subcommittee made a tour of inspection during a period of several days of some of the slum areas of the District of Columbia. We saw with our own eyes proof of the testimony which had been submitted to our committee.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CLARK. I have been very much interested in the splendid statement the Senator from Oregon is making on the subject of hungry children within a stone's throw of the Nation's Capitol in the District of Columbia.

During the 85th Congress I had the privilege of serving on the Committee on the District of Columbia and on its subcommittee on Public Welfare, over which the Senator from Oregon presided with distinction as chairman. I accompanied him on the tour of which he has just spoken. I can vouch personally that every word he has said is true. It was spoken without exaggeration; in fact, it was a conservative statement of what I would not hesitate to call a sinful condition which Congress, to its shame, has permitted to continue over a period of time far longer than I care to contemplate.

Mr. MORSE. From the bottom of my heart I thank the Senator from Pennsylvania. The RECORD should show that the results which the subcommittee obtained two years ago never would have been obtained had it not been for his assistance. At first it was an uphill fight; but the Senator from Pennsylvania never failed either in the Committee on the District of Columbia, before the Committe on Appropriations, or on the floor of the Senate, to point out courageously the facts we discovered concerning this deplorable condition in the District of Columbia.

Mr. CLARK. Mr. President, I thank the Senator from Oregon for his kind words. Although I do not think they are justified by the facts—the Senator is far too kind—my interest in this subject continues despite the fact that I am no longer a member of the Committee on the District of Columbia. I should like to do everything within my power as one Senator to support the senior Senator from Oregon in the effort he is now making to further the fine work he started 2 years ago.

Mr. MORSE. I thank the Senator very much.

I desired to speak about this problem today because appropriations are pending in both Houses dealing with the question of financing such programs in the District of Columbia. As a result of the work of our committee and the action taken by Congress, some progress was made in 1957, as I said to the Subcommittee on District Appropriations today. I think credit ought to be given where it is due. The subcommittee headed by the distinguished junior Senator from Rhode Island [Mr. PASTORE] did excellent work in 1957, in that it recommended a somewhat larger amount of appropriations so as to make it possible to afford some relief to these very unfortunate fellow human beings.

As I stated in my testimony, as will be seen in the RECORD tomorrow, we still have a long way to go. Much still needs to be done in order to carry out the principle of humanity to man in the District of Columbia.

HEARINGS REVEAL MALNUTRITION IN DISTRICT OF COLUMBIA

It is about some of the facts which I presented to the Committee on Appropriations this afternoon that I wish to comment now. For the past 3 weeks, intermittently, my subcommittee has been conducting further hearings concerning the problem of the hungry children in the District of Columbia. The situation is so bad that we cannot take very much comfort from the progress which has been made since 1957. I shall let the record speak for itself, but I shall mention a highlight or two from the record as borne out by witness after witness after witness who came before my subcommittee in the past several weeks to testify. Those witnesses came from the welfare agencies, from the school system, from the neighborhood houses, and, yes, from the District of Columbia government itself.

One shocking fact which we in Congress had better consider is that a minimum of 7,000 little boys and girls of grade school age in the District of Columbia, to say nothing of several thousand more who have not reached grade school age, simply do not have enough to eat. Think of it. In the Capital City of the United States a minimum of 7,000 little boys and girls are not getting enough to eat. The record before my subcommittee leaves no room for doubt about it.

So long as I remain in the Senate and have responsibilities in connection with any committee on which I serve, and so long as such conditions exist, I intend to do everything I can to place the facts before Congress, before the District of Columbia, and before the people of the Nation. Such a condition cannot be justified by any standards.

Mr. President, it cannot be justified by the great teaching that each of us is our brother's keeper.

It was a great disappointment to me when the Commissioners of the District of Columbia made to the Congress a recommendation for an appropriation with which to finance an experimental program which would provide lunches for 1,000 of the 7,000 hungry schoolchildren. Certainly old King Solomon would not have proposed such a thing, Mr. President. I am at a loss to understand why the District of Columbia Commissioners, knowing that in the District of Columbia there are a minimum of 7,000 underfed schoolchildren, would recommend an appropriation for lunches for only 1,000 of them. Consider the rationale of that proposal; it is the old, bewhiskered one of "That this will give us an opportunity to get our feet on the ground."

Mr. President, the Commissioners should have had their feet on the ground for years, if their feet are not on the ground now.

Their argument is, "It will give us time to get our feet on the ground, so as to do a little experimental work on this matter."

Mr. President, this matter is not a complex one. It is simply a question of dollars, of providing the necessary funds for the feeding of 7,000 hungry schoolchildren. If the necessary funds are provided, those hungry children will be fed.

I say to the President of the United States, "Mr. President, this is no issue for you to talk about in terms of balancing the budget. Instead, before Easter, in the name of the Master, raise

your voice in support of the position of the Senator from Oregon that the necessary funds for the feeding of these 7,000 hungry schoolchildren must be provided."

BUDGET CONSIDERATIONS SHOULD NOT BE PUT AHEAD OF HUMAN NEED

Only a moment ago I read on the news ticker that Mr. Stans, of the Bureau of the Budget, while in North Carolina, announced to the country that the President is not going to yield on the question of balancing the budget. He said the country should stand fast against what he called special interest troopers.

I ask the President of the United States, "What is your answer to the need to feed these 7,000 hungry schoolchildren in the District of Columbia? Do you think they are 'special interest troopers?' Do you want them fed? If you do, will you join me in recommending that the Congress provide the necessary funds for the feeding of these 7,000 children?"

If we have a President who will not join in support of such a humanitarian cause, then I want the 174 million Americans to know it now; and that goes for all the rest of the budgeteers, because if the moral responsibility of the Congress is not met, then I find no difference between a budgeteer and a racketeer.

If, in the name of a balanced budget, it is proposed that we walk out on a moral responsibility such as that of feeding the 7,000 hungry schoolchildren in the District of Columbia, then let us tell the American people so.

To the Democratic leadership of the Senate let me make clear that what I say goes for them, too. For once, I should like to see in the Congress a united Democratic leadership in support of a moral issue of this kind.

Mr. President, for several years I have seen the budgeteers get by with their propaganda. So far as I am concerned, they can no longer get by with it without challenge. I intend to challenge them at every step from now on, by comparing their so-called dollar savings with the great human losses and the great losses in human values which the budgeteers will be guilty of causing, and which they will cause, if we let them get by with their failure to recognize their moral responsibilities.

I have no intention of supporting any Democratic leadership which will be a party to Dwight D. Eisenhower's sacrifice—in the name of a balanced budget—of these human values. I do not intend to support a so-called balanced budget at the expense of human welfare in the Nation, because I know that the economy of the country is strong enough to support the kind of general welfare legislation the liberal Members of this body urge the Congress to enact.

TIME FOR REDEDICATION TO HUMAN VALUES

Nor do I intend to weaken either the economic fabric or the moral fabric of our Nation by placing a dollar sign above the Cross. Any argument from any spokesman of this administration or from any leader of my party that is made in an effort to justify failing to appropriate for the District of Columbia the funds which are necessary in order to feed 7,000 hungry school children is a sinful argument at any time, but it is a particularly inexcusable argument at Easter.

So, Mr. President, I insert this testimony in the RECORD because I do not intend to let the Congress forget its responsibility. As I said this afternoon, before the Appropriations Committee, I have no intention of supporting the District of Columbia Commissioners, when, apparently under the whiplash of an economy drive from the White House, they recommend a District of Columbia budget that is totally inaedquate to meet human needs in the District of Columbia.

CONGRESS ITSELF IMPOSED FINANCIAL RESTRICTIONS ON DISTRICT

To the Congress I repeat: You cannot justify your parsimonious attitude toward the District of Columbia by failing to appropriate a fair share of the funds that are required if the cost of running the District of Columbia is to be met.

Mr. President, what are some of the politicians saying now? Just listen to them: "What about the tax rates in the District of Columbia? Why not have higher real-estate taxes in the District of Columbia?"

Are they ready to eliminate the zoning requirements which the Congress has imposed upon the District of Columbia—for example, the one which regulates the height of buildings in the District of Columbia, with the result that the owners of property in the District cannot erect buildings high enough to be as profitable economically as they otherwise would be—profitable enough to result in the payment of greater taxes?

Of course, Congress is not going to eliminate those zoning requirements; and Congress should not do so, because it has a responsibility to keep the Capital City beautiful. That is why such restrictions were imposed in the first place.

Is Congress ready to remove the restrictions which make the District of Columbia inaccessible to heavy industry? Is Congress ready to permit heavy industry, and the accompanying payrolls, to be brought into the District of Columbia, with the result that additional tax dollars will flow into this city?

Of course, to do so would be to bring over the Capital City a smoke screen different in type from that which usually hovers over it. It would be a screen of industrial smoke, instead of a screen composed of the type of forensic smoke which so much of the time hovers over this city—in fact, a good deal of it is based on the type of forensics which is indulged in by those who oppose the appropriation of sufficient funds to permit the District of Columbia to be operated in the way in which it should be operated.

No, I am not going to support the District of Columbia Commissioners in their failure to recommend funds for an adequate school lunch program. So long as I serve in the Senate, Mr. President, I shall continue to fight for fair play for the taxpayers and the residents of the District of Columbia.

THE DISTRICT PROBLEM

As I said, in substance, to the Appropriations Committee this afternoon, "Remember, this local government cannot take in the suburbs. What in our own States happen to be metropolitan areas develop in the suburbs. Before we know it, we have taken the suburbs into the city, and we have brought their tax resources into the city. We cannot do that here. The District of Columbia cannot annex Virginia and Maryland."

Yet, many thousands of the people who work in the District of Columbia sleep in Maryland and Virginia. Maryland and Virginia are their bedrooms. The District of Columbia, Mr. President, has a very difficult tax situation.

There is much unsoundness in some of the speeches being made which seek to compare the tax situation in the District of Columbia with the tax situation in areas of similar size elsewhere in the United States, because Congress has put into effect some of the restrictions which make the comparisons fallacious.

WHY SHOULD TEACHERS SUBSIDIZE WELFARE NEEDS?

Mr. President, I do not intend, either, to support any proposal which would cause the teachers of the District of Columbia to subsidize the welfare program which ought to be financed by the Congress of the United States. That is what Congress is asking them to do by the attitude now prevailing with regard to the District of Columbia budget. What are we doing? Even to feed the 1,000 children, instead of the total 7,000, it is proposed to utilize money transferred from other educational funds, which ought to go into classrooms, or into teachers' salaries, or into employing more teachers, so the teaching load could be lighter, or other needed educational costs.

It is just too bad there is no home rule in the District of Columbia, so that if any mayor or city council proposed any such atrocious suggestion, the people would be able to take care of them at the polls. We have placed ourselves in the position, Mr. President, of not being subject to any electoral discipline by the citizens of the District of Columbia. Therefore, about all they can do is come before a committee such as mine and present their evidence and their protests. Those of us who hear the evidence and the protests have an obligation to act in their behalf. That is what I have been trying to do this afternoon.

PRAISE FOR THE WASHINGTON PRESS

I have been pretty critical, now and then, of the press, both here and elsewhere; but I also have never hesitated to commend the press when I thought it deserved commendation, although I recognize, unfortunately, justifiable occasions are too rare.

I desire this afternoon to commend the local press, all three of the newspapers, for the fine job I think they are doing in getting the facts to the people of the District of Columbia and to the Congress with regard to the public welfare problem, the hungry children problem, and the educational problem.

I close this part of my remarks with the plea that from the President of the

United States on down through the Government, in every office where there is any responsibility connected with District of Columbia affairs, we be given some backing and some support for a large enough appropriation to feed the 7,000 hungry youngsters who, the record of my committee shows, are now suffering from want of food.

The evidence is overwhelming as to the cost of the failure to supply the needed food to the District of Columbia children. If anyone in our Government thinks we are saving money by not providing funds necessary for lunches to feed these youngsters, he ought to read the transcript of the testimony before our committee. Such a so-called saving produces a greater cost from the standpoint of juvenile delinquency and hospitalization resulting from illness that occurs from malnutrition.

SHOCKING TESTIMONY

Mr. President, if you want the kind of evidence that startles you, but is a fact, let me tell you that there are, in a home for 82 mentally defectives, 2 attendants. Those two attendants have to maintain a 24-hour supervision of those unfortunates.

Mr. President, do you think it would be economy to cut the number of attendants to one? And yet, without knowing the facts, I submit there are Members of this Congress who, in recent days, in speaking about District of Columbia fiscal policies, have suggested that savings ought to be made on personnel.

My answer to them is, "Put up or shut up. Where are you going to make the savings on personnel? Come on, give us the list of people who can be eliminated from their jobs in safety to good government in the District of Columbia."

Do we want to reduce the number of those two attendants at the home for the mentally defective, or do we want to justify an overcrowded situation for dependent children? This situation is so bad in the District of Columbia that the record before my committee shows we are sending dependent children in the District of Columbia—I repeat, dependent children—to homes for juvenile delinquents.

Just think of it. All Members of Congress who are parents of children ought to understand my meaning. How in the world can a Member of the U.S. Congress talk about economizing on personnel when there already are such overcrowded conditions and there is such a shortage in this whole field of public welfare work that we are now sending some dependent children to homes for juvenile delinquents because there is not enough room for them in the juvenile dependency institution?

Mr. President, could it possibly be that unexpressed and latent in the thinking of those who are arguing for false economy in the District of Columbia budget is the idea that, after all, an idiot is not a human being, or that, after all, a little dependent child can be dispensed with, or that a juvenile delinquent should not receive the rehabilitation care a moral society is expected to provide?

I would not like to think, Mr. President, that such a cold, asocial attitude could possibly exist in the breast of any Member of Congress. Yet as I conduct the hearings and have submitted to me in the record statements of attitudes which have been expressed in the budget fight for the District of Columbia I am almost forced to the conclusion that at least it is fair to say, in view of the sordid conditions which exist, that those who make an argument for economy in public welfare in the District of Columbit have walked out on their obligations.

I make this speech on this subject today, Mr. President, in the hope that it may stir up a little support from some groups in this city which in my judgment are notefully cognizant of the seriousness of the situation. I say that in appealing to the ministerial association of every church group in the District of Columbia; Catholic, Protestant, and Jew. I say to the clergy of the Catholics, of the Protestants, of the Jews, and of all other faiths who believe in a Creator, now is the time to be of great moral assistance to those in the District of Columbia who are trying to get some action from the Congress of the United States by way of a sufficient appropriation to meet these governmental needs.

I know, Mr. President, if the service groups, if the ministerial association, if the Parent Teacher Associations, if the citizens groups and all the many public-minded organizations in the District of Columbia knew how deplorable the conditions are they would make the rafters of the White House shake before they finished with their presentation of this great moral issue.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I have been waiting for several days to deliver two speeches, one a relatively short one; the other a longer one. The two speeches are in the Press Gallery. Tonight I find I can deliver only the shorter speech, the one relating to the preliminary report of the Draper Committee. Tomorrow I shall deliver the longer speech on the economic plight in which I think the country finds itself. I make this comment for the benefit of the Press Gallery.

Now, Mr. President, I should like to have the attention of the Senator from Virginia [Mr. BYRD]. It has been suggested to me that the Senator from Virginia may wish to have me continue on another subject until a bill comes over from the House, but whatever may be the pleasure of the Senator, I shall be glad to cooperate.

Mr. BYRD of Virginia. I will say to the Senator from Oregon that the conferees cannot be appointed until the bill comes back from the House. The bill has not yet come from the House, though it is expected at any moment.

Mr. MORSE. I will yield the moment the Senator from Virginia asks me to yield.

Mr. BARTLETT rose.

Mr. MORSE. Mr. President, I yield to the Senator from Alaska.

SENATOR JOHNSON AS A PRESIDENTIAL CANDIDATE

Mr. BARTLETT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article which was published in the New York Times of this morning, written by James Reston, about our distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], entitled "It Could Be JOHNSON."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT COULD BE JOHNSON—DEMOCRATIC PROFESSIONALS IN NORTH PONDER TEXAN AS A 1960 COMPROMISE

(By James Reston)

CHICAGO, March 24.—Don't count Senator LYNDON B. JOHNSON, of Texas, out of the 1960 presidential election yet. The Democratic pros in this part of the country, at least, are definitely not doing so, and they were the ones who were supposed to be more opposed to nominating Mr. JOHNSON than anybody else. Conversations with Governors Edmund G. Brown, of California, and Michael V. DiSalle, of Ohio, and Mayor Richard Joseph Daley, of Chicago, in the last few days, indicate that the pros are reaching these preliminary conclusions:

The Democratic nominating convention is clearly headed for a stalemate, with no one candidate likely to have more than 300 votes (less than half the necessary majority) on the first ballot.

Senator JOHN F. KENNEDY, of Massachusetts—and probably only Mr. KENNEDY—could upset this calculation by a series of spectacular victories in the 1960 primaries, but at least some of the men who control the big delegations in the State capitals and the large northern cities don't think he can pile up a large enough lead to avoid a deadlock.

On this assumption, the pros around here think Adlai E. Stevenson, of Illinois, Senator STUART SYMINGTON, of Missouri, and Senator JOHNSON will definitely come into the picture as compromise candidates.

NORTH WARM TO JOHNSON

The only surprising thing about this is the way the northern pros are talking about Senator JOHNSON. It was widely assumed that they were so committed to an extreme civil rights program that they would rule out a southerner who favored a moderate civil rights compromise.

In the end, this still may be true, but they are definitely not ruling him out now, and for interesting reasons. These men who control the delegations of large States such as Ohio, Illinois, and California are all keenly interested in urban development, new airports, new roads, public housing relief for the depressed areas, and social legislation.

Mr. JOHNSON has clearly impressed many of them on the way he has used his authority in these fields. They are watching him carefully to see what he does in this session of the Congress about civil rights legislation but so far they apparently feel less strongly than the liberal Democrats in the Senate about his compromise stand on the filibuster rules of the Senate.

All the publicity about Mr. JOHNSON'S political skill in the Senate has also enhanced his reputation, for the men who will be in the smoky room dealing with any deadlock that may develop at the Democratic convention will be the professionals who place higher value on the art of politics than anybody else.

A POLITICIAN'S POLITICIAN

One hears a lot of talk from these pros that JOHNSON is the kind of politician who understands another politician's problems.

The pros also seem to think that he is a tough negotiator who perhaps as well as anyone else in the Nation could deal with the problems of negotiating with the Communists.

Even Mayor Daley, of Chicago, who was one of the leaders for Mr. KENNEDY in the vice presidential race of 1956 and who will almost certainly control the Illinois delegation in 1960, gave Mr. JOHNSON a good chance for the nomination.

Like Governors Brown, of California, and DiSalle, of Ohio, he is not committing himself. Like them, too, he doubts that anyone will have more than 300 votes on the first ballot, but he rejects the idea that the North would oppose JOHNSON merely because he is a southerner.

"This would be like rejecting KENNEDY because he is a Catholic," Mr. Daley said. "I argued against this in 1956. I am still arguing against it now. But we cannot argue against anti-Catholic bigotry and at the same time be guilty of antisouthern bigotry.

"Everybody should be given a chance on his own abilities and that goes for JOHNSON as well as KENNEDY."

All this may indicate nothing more than the politician's caution about coming out for anybody too soon. As Mr. DiSalle pointed out, most of the potential candidates are in public office and therefore the element of accident over the next year could bring somebody quickly to the top or cast some of the leaders down.

Nevertheless, it is clear that the decision in the Democratic convention is going to lie not in the hands of men in Washington, but in the hands of Governors and the powerful big city mayors and bosses.

As of the moment, they are waiting and holding the line against Mr. KENNEDY, who is clearly the front runner. In the process, however, they are creating a deadlock situation and it is interesting that in the discussion about who may break a deadlock the pros around here seem to be talking even more about Mr. JOHNSON than about Mr. Stevenson.

Out in the south side of Chicago, where the large Negro vote lies, the mayor would have less trouble getting consent for either Mr. Stevenson or Mr. KENNEDY, who is probably the mayor's preference. But Mr. JOHNSON has made progress, even in the areas where most people thought he would be rejected out of hand.

RAJAGOPALACHARI'S SOLUTION TO GENEVA DEADLOCK

Mr. MORSE. Mr. President, when I was in India in 1957, at the Commonwealth Parliamentary Conference, it was my great honor to meet and confer on two different occasions with a great Indian leader, Rajagopalachari, who is recognized throughout India as probably the number one philosophical successor to Gandhi.

I am sure the distinguished Senator from Kentucky [Mr. COOPER], now present in the Chamber, shares my high appraisal of Rajagopalachari, when I say he is a man of great influence all over India, but particularly in Madras Province. For many years Rajagopalachari served in the Parliament of Madras in various positions. He is a great humanitarian. For a long time he has been one of the world leaders in calling upon Russia and the Western Powers to bring to an end nuclear testing and, for that matter, to rid their arsenals of nuclear weapons entirely.

Mr. President, there was published in the March 16, 1959 issue of the New York Times a letter to the editor written by Rajagopalachari under the heading "To Solve Geneva Deadlock: Formula Offered Permitting Powers To Void Treaty on Notice." I ask unanimous consent that this fine letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO SOLVE GENEVA DEADLOCK FORMULA OFFERED PERMITTING POWERS TO VOID TREATY ON NOTICE

The writer of the following letter was Governor General of India, from 1948 to 1950 and one of the leaders in India's struggle for independence:

To the EDITOR OF THE NEW YORK TIMES:

Those of us who live round about the Pacific Ocean but who are not in the cold war are naturally impatient over the delay in an agreement being reached at Geneva about the suspension of test explosions.

It seems to us rather odd that we cannot be saved from being poisoned unless the two sides in the cold war agree between themselves. No one has denied the right of the noninvolved peoples to be saved from being poisoned. We feel that our rights are being totally ignored in the battle between the two parties.

But this impatience of ours does not bind us to the real difficulties in the situation as between the two sides of the cold conflict. The fears and suspicions of America are genuine. They stand in the way of an agreement being reached on this as on other issues connected with disarmament.

I write this letter in the hope that a formula on the following lines may serve to give sufficient assurance to those who fear and doubt the opposite side, while at the same time it will secure an immediate suspension of the tests:

SUSPENSION OF TREATY

Let there be a suspension by treaty without any time limit, but let a proviso be attached that any one of the nuclear powers signing the treaty shall have the right to denounce the treaty, giving a year's notice and publicly explaining the reasons justifying the step.

Those who desire a treaty of suspension for all time ought to be satisfied with such a proviso, because if there are reasons which can stand the test of public scrutiny and world judgment it would be impossible to justify the continuance of such a treaty from the point of view of national security as foreign policies now stand.

Those who are unwilling to agree to indefinite suspension but desire only a year-to-year basis should also be completely satisfied with what I have here suggested.

The principle of suspension having been accepted, any limit of time put on the suspension can only be in the interest of security against fraud.

May I appeal that this question, which affects not only America but the whole world and its health, should be decided justly and properly and not merely on the basis of giving one's self the benefit of all doubts?

C. RAJAGOPALACHARI.

MADRAS, INDIA, *March 7, 1959.*

TAXATION OF PATRONAGE ALLOCATIONS OF COOPERATIVES

Mr. MORSE. Mr. President, a number of cooperatives and individuals of the State of Oregon have written to me in recent days expressing deep concern over the administration's recent proposal relative to the tax status of earnings of cooperatives, especially those allocated to patrons and evidenced by certificates of earnings. The administration's proposal was set forth in Treasury Secretary Anderson's letter of January 19, 1959, addressed to the chairman of the Senate Finance Committee and the chairman of the House Ways and Means Committee.

In order that my colleagues may have the benefit of what I consider to be particularly well reasoned views of individuals and cooperative officials transmitted to my office, I ask unanimous consent that a series of letters and resolutions containing those views be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. I invite the attention of my colleagues to the suggestion of the local cooperatives concerning a fair and reasonable method of taxing patronage allocations. I believe it deserves serious consideration.

Mr. President, I feel, as do these constituents, that the Treasury Secretary's suggestion that so-called qualified patronage certificates must bear interest at the rate of at least 4 percent and must be redeemed within a 3-year period, would, if put into effect, seriously injure our farmer cooperatives. In fact, I believe the imposition of such requirements would make it impossible for many cooperatives to continue in business. I certainly hope that this attack on our nationwide program of farmer cooperatives will not succeed and I urge serious consideration by the appropriate congressional committees to the views expressed in the letters and resolutions that follow my remarks.

EXHIBIT 1

MOUNT ANGEL FARMERS UNION WAREHOUSE,
Mount Angel, Oreg., March 12, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SIR: Enclosed you will find a copy of a resolution, which in itself is self-explanatory. It was passed unanimously at our membership meeting held on February 28, 1959.

To refresh your memory it may be helpful to you if we presented background to the adoption of said resolution. The Revenue Act of 1951 stated in effect that a patron of a corporation shall report as income the allocations from a cooperative at fair market value in the year in which he is notified of such allocation. Recent court decisions pertaining to the interpretation of fair market value pretty much allowed the patron to set any value to the allocation which he may desire to use.

Our members have been reporting for income tax purposes their allocations on face value in the year in which they have been notified of such allocations ever since the adoption of the Revenue Act of 1951. On allocations made prior to 1951 they have reported the income in the year such allocations have been redeemed to them in cash.

In the present session of the Oregon Legislature, similar legislation, as requested in the resolution enclosed, has been introduced at the request of the Tax Commission, and it has the backing of cooperatives and their members alike. Members of cooperatives agree to the principle that income which is

earned in any given year must be subject to tax in such year, and they maintain that it is the responsibility of the patron to pay it.

Secretary of the Treasury Anderson has requested legislation which would require that cooperatives be subject to corporate income tax, unless the cooperative paid the allocation in cash within 3 years and also paid interest on said allocation at a rate of no less than 4 percent per annum. Such legislation would cripple cooperatives to the point where it would be impossible to conduct business.

Agriculture is the second largest industry in the State of Oregon and anyone who is familiar with agriculture will concede that cooperatives have a stabilizing effect on marketing and are considered necessary in many phases of our State's agriculture.

We are confident that you will give the subject matter your serious attention, and that you will use your influence to clarify the intent of the Revenue Act of 1951 and to reject the proposals of Secretary Anderson.

Respectfully,

BERNARD H. KIRSCH, *Secretary,*

Whereas the members of Mount Angel Farmers Union Warehouse, Mount Angel, Oreg., at their annual membership meeting held on this 28th day of February 1959, consider the taxing of patronage refunds and/or allocations to patrons as intended by the "Revenue Act of 1951" to be just, sound and equitable;

Whereas there exists confusion pertaining to the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the members of Mount Angel Farmers Union Warehouse, Mount Angel, Oreg., do hereby recommend proper legislation by the present Congress to clarify and make effective the intent of the Revenue Act of 1951 to the effect that all patronage allocations of cooperatives are taxable to the patrons upon notification thereof; it is further

Resolved, That a copy of this resolution be sent to each of the Oregon Senators, and to each Representative of Oregon in the House of Representatives, and to each Member of the Senate Finance Committee and to each member of the House Ways and Means Committee.

PENDLETON GRAIN GROWERS, INC.,
Pendleton, Oreg., March 19, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: It is likely that legislation will come up in this Congress relative to taxation principles for farm cooperatives. Recent rulings of the Internal Revenue Bureau and the courts have done nothing but create confusion.

We are 100 percent in agreement that a clarification of the farm cooperative tax principle should be spelled out by Congress in this session so that there is not this continual confusion over these principles, which are really quite simple.

Our cooperative and the members of our cooperative do not want to escape taxation. That is not the purpose of our cooperative, and that is not the purpose for which our farmers join a cooperative.

At present, all of our members are reporting their patronage refunds as taxable income in their hands in the year in which the patronage refund was declared and they were notified of this declaration. This is the one-tax or partnership-tax principle. We believe this is the sound basis for taxing cooperatives. We believe that the law should be made clear as to the method of handling these patronage refunds. We have enclosed some additional information which covers the situation of our company. In addition, we can advise you that the National Council of Farm Cooperatives office in Washington, D.C., is extremely well informed on this whole situation as it affects all good farm cooperatives in this Nation. You can rely upon Mr. Homer Brinkley in that office to give you any and all information that you may require from time to time in making a sound decision that will be fair and reasonable as far as our farm people and our farm businesses are concerned.

You will have no trouble with us, and you will get nothing but praise if you will merely stick to the principle that our farm cooperatives should be taxed on a one-tax basis just as any partnership or pseudocorporate entity insofar as patronage refunds are concerned. This can best be accomplished by all concerned with having the patronage refund made taxable in the hands of the farmer member or patron at the time that he is notified and by providing the law that the cooperative must declare and notify patrons of their patronage dividends within a reasonable period of time after the close of a year's business. A reasonable time would be within 8 months or possibly 6 months after the close of business. On any earnings that were not so declared and patrons notified, then the cooperative corporation would be subject to the double taxation on those retained earnings. But if they met this reasonable rule of declaring and notifying on the basis of true patronage, then they could exclude those earnings from the corporate income and the grower picks it up as his income, which is the partnership or pseudocorporation theory that is so well recognized by everyone.

We hope that you will work with our farm people to get this situation straightened out once and for all.

Best personal regards.

Sincerely,

JAMES HILL, Jr.
(For the board of directors.)

MEMBERSHIP AND INVESTMENT

To become a member, a person must (a) be a bona fide producer of agricultural products in the area served by Pendleton Grain Growers, and (b) must sign a membership application subject to approval of the board of directors of Pendleton Grain Growers.

This membership agreement, when executed by both interests, constitutes a contract between the farmer-member and Pendleton Grain Growers whereby the company agrees to (1) function on a cooperative basis for the mutual benefit of the members, and (2) return the net operating margin of each division or department to the members each year in direct relation to the amount of business each member has done with each department, and (3) pay the member his margin as a patronage refund in the form of cash, stock, notes or portions of each as the board of directors may determine in accordance with the bylaws.

The member in signing the membership agreement (contract) agrees to (1) abide by the bylaws and rules and regulations established by the group, (2) purchase one share of membership voting stock—$30, and (3) invest patronage earnings or refunds in the company for a reasonable period of years in order to build up his share of capital on a "pay as you earn basis".

Since the $30 membership provides only a small amount of capital, the company presently requires about 10 years of reinvested patronage earnings to furnish necessary equity capital to run the business.

In effect, Pendleton Grain Growers is nothing more than a farm partnership of some 1,200 farmers using the corporation entity as a means of administering the partnership. The purpose of this business endeavor is to improve the lot of the individual. The earnings are taxed as any partnership or "pseudo corporation"—in the hands of the partner. Consequently, Pendleton Grain Growers members report their patronage earnings as individual income as they receive notice of those earnings.

Currently, the Pendleton Grain Growers patronage earnings are paid to members each year in the following two forms:

1. Fifty percent in the form of class B stock, noninterest bearing, payable at face value on death of holder. A membership need not hold more than $5,000 of class B at any one time. The class B common stock is the member's contribution to the long-term capital of the company. It is contemplated that this stock will be held by the member as long as he is using the services of the company. (In case the member must give up his membership because he no longer farms or is leaving the area, the board of directors may approve transfer of class B stock into other securities of the company which are transferable and marketable.)

2. Fifty percent in the form of a 15-year promissory note, bearing 3 percent interest annually transferable.

Under no circumstances can a holder of any Pendleton Grain Growers security be subject to assessments.

PENDLETON GRAIN GROWERS, INC.
PENDLETON, OREG.

The farm cooperative provides a method whereby individual farmers may associate themselves into a business enterprise.

The sole purpose to such business organization is to provide business services at cost and thereby reflect additional profitmaking possibilities to the individual member's own farm operations.

The heart of this farm cooperative business association is the contract between the member and the assocation which legally describes methods of operations and legally spells out the fact that any profits made off the individual member's volume of business belongs to that member and not to the association. The tax implication consistently follows the single tax principles involved in partnerships. By law farmers are granted the corporate form as a practical method of administering these partnership contractual relationships. This principle was further recognized when Congress recently granted to small-business partnerships the right of corporate entity taxed on partnership basis.

In light of the foregoing North Pacific Grain Growers, Inc., recommends that Congress (a) establish clear and concise legislation to once and for all establish the single tax principle for farm cooperatives, and (b) establish concise law to provide that any and all patronage refunds be taxed at the face value in the farmers' hands at the date of issue or notification.

SILVERTON, OREG., *March 19, 1959.*

Senator WAYNE L. MORSE,
Washington, D.C.

DEAR SIR: This letter is to convey to you my personal opinion regarding the proposed legislation concerning farm cooperatives.

I have been entering my patronage refunds, including book credits, from farm co-ops (and incidentally, I am a member of eight different farm cooperatives), as income on my tax statement for the past 12 years. Therefore, I have been abiding by the Revenue Act of 1951, and feel that it should remain as such.

Many farm co-ops in our communities have adopted resolutions favoring the Revenue Act of 1951 as sound and just, and I as a farmer and a member of a farm cooperative, wish to add my opinion on this matter.

Thank you. I hope you will give this your consideration.

Respectfully yours,

RAYMOND WERNER.

FREEWATER, OREG., *March 12, 1959.*
Hon. WAYNE MORSE,
Washington, D.C.

HONORABLE SIR: Enclosed you will find resolution signed by 35 taxpayers who are members of Stateline Grange No. 693 and who are mostly members of co-ops who are asking respectfully that you do everything possible to block the President's idea on taxation of cooperatives.

Respectfully submitted.

IVAN MORETZ.

Be it resolved, That Congress enact legislation clearly and concisely establishing single tax liability upon patronage refunds of farmer cooperatives by taxing them at face value in the hands of the member in the year of issuance or notification, disregarding the actual or market value thereof for tax purposes; be it further

Resolved, That Congress reject any attempts to fix the interest paid or payable on such patronage refunds or the period of redemption thereof by such farmer cooperatives.

Andrew Zessin, Walter Rand, Freewater, Oreg.; Gilbert Tomlinson, Walla Walla, Wash.; W. A. Whitehead, Milton-Freewater, Oreg.; Joan Meretz, Freewater, Oreg.; Elsie Monetz, M. O. Lewis, Milton-Freewater, Oreg.; Roy E. Tomlinson, Walla Walla, Wash.; Elsa McElrath, Alpher E. Stahl, Milton-Freewater, Oreg.; Mrs. Roy Tomlinson, Walla, Walla, Wash.; Mr. and Mrs. Martin Lokkin, Claude McElrath, A. T. Moran, Ed Means, B. M. Beals, Helen C. Tunley, Ray H. Graning, Mrs. Emory Crawford, Flossie Beals, Mollie Moran, Dean Broxson, Wallace O. Goode, J. E. Frazier, Emory Crawford, Mrs. J. E. Frazier, Mrs. Lillie Hurd, Mrs. Ed Means, Hazel Lewis, Iva Rand, Minnie Whitehead, Glenn Burney, Pauline Burney, Milton-Freewater, Oreg.; Jean Tomlinson, Walla Walla, Wash.; Edna Ruth Goode, Milton-Freewater, Oreg.

Whereas there exists considerable confusion and uncertainities concerning the taxability of patronage refunds of cooperatives; and

Whereas the taxing of patronage refunds to patrons as intended by the 1951 Revenue Act is equitable, just and sound: Now, therefore, be it

Resolved, That we, the members of the Vale Grange No. 696, recomment appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act that patronage allocations of cooperatives are taxable to the patrons upon notification thereof; it is further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of House Committee on Ways and Means and to each members of Senate Committee on Finance.

L. H. JACOBSEN,
Master Pomona.
ULLA JACOBSEN,
Secretary.

FARMERS OIL CO.,
Mount Angel, Oreg., March 11, 1959.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: At a special board of directors' meeting held on March 2, 1959, the directors of the Farmers Oil Co., of Mount Angel, Oreg., an organization composed of 2,043 farmers in the Willamette Valley, discussed Secretary Anderson's tax proposal of January 19, 1959, wherein he attacks financing of farmer cooperatives.

The board of directors feel that the net savings or retained proceeds of cooperatives should be taxed as follows. If the net savings or retains were unallocated, then the cooperatives as such should be taxed, but if the retained funds are allocated to the members then each individual producer should pay the tax on his allocation, as soon as he is notified. In other word, a farmer's cooperative association in most instances is similar to a partnership and the partners should pay the tax in accordance with their participation.

The directors feel that the 1951 law provided a fair and practical solution of cooperative taxes and have so stated in a resolution adopted unanimously by the board of directors at their meeting on March 2.

We are enclosing copy of the resolution and trust you will give it your favorable consideration.

Respectfully yours,

P. F. GORES,
Secretary and Manager.

RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF THE FARMERS OIL CO. AT MOUNT ANGEL, OREG., AT A SPECIAL BOARD MEETING HELD ON MARCH 2, 1959

Whereas the board of directors of the Farmers Oil Co. of Mount Angel, Oreg., in session at a special board of directors meeting this 2d day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just, and sound;

Whereas considerable confusion and uncertainties exist concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the board of directors representing 2,043 farmer owners of the Farmers Oil Co. of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations or cooperatives are taxable to the patrons upon notification thereof; be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of the House Committee on Ways and Means and to each member of the Senate Committee on Finance.

FARMERS OIL CO.,
Mount Angel, Oreg., March 13, 1959.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The farmers who own this organization are very much disturbed over the attack on the financing of farmer cooperatives which appears in Secretary Anderson's tax proposal of January 19, 1959.

The Secretary's proposal was discussed at considerable length at the annual meeting of the 2,043 members who own the Farmers Oil Co., of Mount Angel, Oreg., held in Mount Angel on March 7, 1959.

We are enclosing a copy of a resolution adopted unanimously by the members at their meeting.

Our producers feel that the 1951 law provided a fair and practical solution of cooperative taxes. If the net saving or retains were unallocated, then the cooperatives as such should be taxed, but if the retained funds are allocated to the members, then each individual producer should pay the tax on his allocation as soon as he is notified. In other words, a farmer's cooperative organization in most instances is similar to a partnership, and the partners should pay the tax in accordance with their participation.

We trust you will give the enclosed resolution your favorable consideration.

Respectfully yours,

P. F. GORES,
Secretary and Manager.

Whereas the members of the Farmers Oil Co. of Mount Angel, Oreg., in session at their annual meeting this 7th day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just and sound;

Whereas there exists considerable confusion and uncertainties concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the members of the Farmers Oil Co., of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations of cooperatives are taxable to the patrons upon notification thereof; and be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each Member of the House Committee on Ways and Means and to each Member of the Senate Committee of Finance.

FARMERS OIL CO.,

Mount Angel, Oreg., March 13, 1959.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: You are no doubt familiar with the letter regarding taxation of cooperatives from Mr. Anderson, Secretary of the U.S. Treasury, to the chairman of the House Ways and Means Committee and to the chairman of the Senate Finance Committee under date of January 27, 1959.

The proposals as outlined in Secretary Anderson's letter would practically put cooperatives out of business. These proposals were discussed at considerable length at our board of directors' meeting held on March 2, 1959.

It is the consensus of opinion of our board that net savings or retained margins of cooperatives should be taxed. We do feel that since most cooperatives are organized similar to partnerships, their earnings should be handled in the same way. In other words, each producer should pay a tax on the income he receives from the cooperative.

In most cooperative bylaws, the producer authorizes the board of directors to withhold sufficient funds from the total amount received from the producer above actual operating costs, to furnish working capital and capital assets for the business. The so-called net savings or retains are used for that purpose and are allocated to each producer in accordance with his participation in his organization. The intent of the 1951 Revenue Act was as above stated but was not stated clearly in the law.

Our directors adopted a resolution suggesting that the 86th Congress adopt appropriate legislation to clarify and make effective the intent of the 1951 Revenue Act. We are enclosing copy of a resolution adopted by our directors—also copy of letter of transmittal that was sent to each member of the House Ways and Means Committee and to the members of the Senate Finance Committee.

The Secretary's letter was also discussed at our annual membership meeting held at Mount Angel on March 7, 1959, and the members adopted a similar resolution. We are also enclosing copy of this resolution and a copy of the letter of transmittal that went to the members of the House Ways and Means Committee and to the members of the Senate Finance Committee.

We know you are familiar with the outstanding job cooperatives are doing for farmers in Oregon and trust you will give the enclosed resolutions your favorable consideration.

We will appreciate any help you can give us in getting the 1951 Revenue Act clarified so that its intent will be carried out.

Sincerely,

P. F. GORES,
Secretary and Manager.

RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF THE FARMERS OIL CO. AT MOUNT ANGEL, OREG., AT A SPECIAL BOARD MEETING HELD ON MARCH 2, 1959

Whereas the board of directors of the Farmers Oil Co. of Mount Angel, Oreg., in session at a special board of directors meeting this 2d day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just and sound;

Whereas considerable confusion and uncertainties exist concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the board of directors representing 2,043 farmer owners of the Farmers Oil Co. of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations or cooperatives are taxable to the patrons upon notification thereof; be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of the House Committee on Ways and Means and to each member of the Senate Committee on Finance.

RESOLUTION BY BAKER DISTRICT, POMONA GRANGE NO. 24

Be it resolved, That Congress enact legislation clearly and concisely establishing single tax liability upon patronage refunds of farmer cooperatives by taxing them at face value in the hands of the members in the year of issuance or notification, disregarding the actual or market value thereof for tax purposes; be it further

Resolved, That Congress reject any attempts to fix the interest paid or payable on such patronage refunds or the period of redemption thereof by such farmer cooperatives.

E. V. BRADFORD,
Master.
EDITH MORIN,
Secretary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 9) extending a welcome to the Inter-American Bar Association.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT BENEFITS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. MCCARTHY, Mr. WILLIAMS of Delaware, and Mr. CARLSON, conferees on the part of the Senate.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. First, I express my gratitude to the distinguished Senator from Virginia for his great courtesy and consideration, involving personal inconvenience on his own part, in enabling us to send the bill to conference.

Is it hoped that a conference report may be submitted this evening?

Mr. BYRD of Virginia. It is hoped that a conference report will be submitted within 30 minutes.

Mr. MANSFIELD. Mr. President, I think I should say that the Senate will be in session for at least another half hour, awaiting the submission of the conference report.

PRELIMINARY FINDINGS OF DRAPER COMMITTEE ON FOREIGN AID

Mr. MORSE. Mr. President, before the Senate recesses for Easter, I wish to take a few minutes, for the sake of the record, to comment on the preliminary conclusions of the President's Committee To Study the United States Military Assistance Program, better known as the Draper report, after William H. Draper, Jr., Chairman of the Committee.

At the time of the Draper Committee's appointment last fall, it was widely reported that this was a consequence of the letter which eight members of the Foreign Relations Committee, including myself, wrote to the President August 25, 1958. In that letter, we expressed "our deep concern over the present concept and administration" of the mutual security program. We further expressed the belief that "with respect to the less developed countries there is a serious distortion in the present relative importance which is attached to military and related aid on the one hand and technical assistance and self-liquidating economic development assistance on the other."

We urged the President to give his personal attention to this matter before submitting another year's installment of the mutual security program to Congress.

"It may be," we wrote, "that such a study will lead you, Mr. President, as it has led us, to the conclusion that the principal and most costly shortcoming in the mutual security program remains, as it has been for some time, the failure to emphasize military aid less and to stress economic aid and technical assistance more. It may be that such a study will reveal that the military and nonmilitary portions of the program are drawn up independently to an undue extent and then put together automatically in the same package."

Finally, the letter expressed "our concern that we may be pursuing a pattern of foreign aid drawn by force of habit rather than one adjusted to current international realities."

In view of the publicity surrounding the appointment of the Draper Committee, hopes were raised that it would in fact deal with these questions which are of concern not only to many Members of the Senate but to large numbers of the American people.

These hopes have not been borne out by the Draper Committee's preliminary conclusions which were submitted to the President March 17. The substance of those conclusions can be summarized very quickly:

First. The military assistance program for fiscal 1960 should be increased by $400 million, mainly for NATO countries.

Second. Economic assistance cannot be reduced, because this woud put disproportionate emphasis on the military programs.

Third. Lending for economic development at an annual rate of $1 billion "will probably be needed" by fiscal 1961.

Mr. President, a legitimate distinction is to be drawn between military assistance for the countries of NATO and military assistance for the rest of the world. The Draper Committee draws such a distinction by inference, but the Committee does not deal perceptively with the problem of military asssitance to non-NATO countries. And it implies, at least, that military assistance furnishes the principal reason and justification for economic assistance to many of these countries.

There is little, if any, evidence in the Draper Committee's preliminary conclusion that it grasps the point made by the eight Senators in our letter to the President last summer.

The Committee states that in its final report it intends to give more thorough examination to problems of economic assistance. One can only hope that it will do so, because so far its work has totally ignored the comments we made.

I am especially concerned by the implication of the Draper report that economic assistance will have to remain in proportion to the increased military aid it recommends. The economic assistance that is required to support military forces goes under the name of defense support; defense support is the measure of the extent to which a country is overmilitarized. It is the money needed from the United States to support a military establishment above and beyond the recipient's own economic capacity.

This economic assistance is not self-liquidating. It does not come under the lending for economic development.

It is blanket aid; it goes as a grant to the recipient country, to be used to support military forces.

But when we make such a grant, we lose control over the use to which it is put. Unlike the loans from the Development Loan Corporation, which are made for specific economic projects and on fixed terms, blanket economic assistance

is simply a chunk of American money turned over to another nation to use as it pleases.

I think this kind of economic aid—and I think it is a misnomer to call it aid—is the kind of expenditure that I think is responsible for much of the disrepute that the entire foreign aid program has fallen into among Americans.

As the Senator from Indiana [Mr. HARTKE] has indicated today, the administration is urging Congress to approve large sums for foreign aid, while at the same time it is urging Congress not to approve programs to relieve unemployment and the ill effects of unemployment. I am at a loss to understand how the President can, in good conscience, continue to urge blanket economic grants to foreign countries, to be used as their leaders see fit, while he opposes grants to American States for unemployment compensation benefits to the jobless.

But whether or not there is any blight here at home to worry us, I am simply opposed to the continual waste of our money through a foreign aid program that fails to meet the real need of people abroad.

When the eight Democrats wrote to the President last fall, we hoped he would respond to our concern by revamping the mutual security program.

Instead, he has turned over the matter to a committee heavily dominated by professional military men, men whose answer to our appeal has been a recommendation that the present overemphasis on military aid and defense support not be reduced, but be increased.

That is the impression I have gotten from this preliminary report of the Draper Committee. So far, it has dealt only with NATO countries, but its emphasis that blanket economic grants to these countries continue so as to shore up the increased military aid the Committee calls for, goes in the exact opposite direction we urged the President to take last fall.

His refusal to give serious consideration to our warning that foreign aid should be modernized is not going to do the program any good with Congress, and certainly not with the American people.

DRUMS BEING BEATEN FOR FOREIGN AID

Mr. President, as a member of the Senate Foreign Relations Committee, I intend to speak out, when the economic and military foreign aid program gets before the Senate, in regard to some of the shortcomings, waste, inefficiency and maladministration of aspects of the military and economic foreign aid program.

Let me say today, because I believe the American people need to be warned, that a propaganda job is being done on American public opinion.

This administration, I am satisfied, has deliberately undertaken to create the impression in this country that any Member of Congress who raises doubts about some phases of the military and economic aid program, or dares to suggest that economies within that program may save hundreds upon hundreds of millions of dollars, is in some way, somehow endangering the security of the United States.

That is a plain misrepresentation of the facts. Of course that is nothing extraordinary for the Eisenhower administration to do. It has been guilty of misrepresenting the facts so many times during its life it is to be expected that once again an attempt will be made to do this kind of "snow job" on American public opinion.

Once again there is a terrific drive among the editors of the country, by and large, to aid and abet the White House and the State Department and the Pentagon in beating the drums and waving the flag for military and economic aid.

I will never be silenced or influenced by the propaganda machinery of the Eisenhower administration or any other administration. As a member of the Foreign Relations Committee who has worked closely with the problem of economic and military foreign aid for many years, I say there is a waste of hundreds of millions of dollars in the military and economic aid program of this Government. The General Accounting Office, the House Government Operations Committee and other congressional committees have revealed it time and again.

I am in favor of military and economic aid. However, I am in favor of good military and economic aid, efficient military and economic aid, and military and economic aid which is designed to accomplish its objectives.

It was 3 years ago that we spent $240,000 of taxpayer money for a series of studies to be conducted by experts, such as known and recognized authorities from the University of Chicago, the Massachusetts Institute of Technology, Columbia University, and the Brookings Institution.

ADMINISTRATION AND CONGRESS CONTINUE TO IGNORE EXPERTS

However, as we read the recommendations of the President of the United States for a continuation of his blanket proposals for military and economic foreign aid, we come to the conclusion that he and his advisers apparently have never read those reports. The members of the Committee on Foreign Relations know the truth of what I say. They know what those studies brought forth. They support my contention that there is great waste in the military and economic foreign aid program.

Therefore I am justified in severely criticizing the President of the United States when he uses the prestige of his office to seek to block, in the name of a balanced budget, the passage of general welfare legislation in Congress, and yet proposes to send to us a military and economic foreign aid program which includes tremendous waste of taxpayer dollars.

It is said, in reply to the position of those of us who believe we should take a very careful look at military and economic aid requests, and to squeeze out the water of waste, "You must not interfere with the President and the Secretary of State in the field of foreign policy. And you must not touch a hair on the head of the foreign aid program they recommend."

My answer is "tommyrot." My answer is that, under the Constitution, it is the obligation of Congress, exercising its power of check, to challenge inefficiency and waste and maladministration of the military and economic foreign aid program.

Therefore I intend to challenge it. I intend to vote for the best military and economic foreign aid program we can get through Congress. However, I have a duty to do all I can do in an effort to make it the best program.

In my judgment there is no basis in fact for the recommendation of the Draper Committee that the military aid program should be increased by $400 million. Rather, more than $400 million ought to be saved from the present military aid program and then we should transfer the savings to where they can be best used; perhaps to NATO, if that is the proper place.

ROLE AND FINANCING OF NATO NEEDS REEXAMINATION

However, NATO has almost become a sacred political cow in these precincts. NATO has almost become untouchable in congressional consideration. Let me say, however, that NATO needs a close examination by Congress, because I am satisfied that a part of the $400 million which the Draper Committee is asking to be added to the NATO budget could be saved from the present NATO budget.

I was one of the earliest and stanchest supporters of NATO. But that does not mean I think it should never be reexamined, once agreed to.

Times change; needs change. Other parties to NATO are finding this to be true, and are acting accordingly.

We should also make it clear to some of our allies within NATO that we look with a rather jaundiced eye on some of their manipulations of recent years in regard to NATO practices, such as those of France. In my judgment, the policies of France in connection with NATO would have a hard time withstanding an impartial public inspection. I have in mind the transfer of troops to support France's colonial policies, with the use of NATO equipment, in respect to French national problems, not NATO problems at all.

TIME TO STUDY DEFENSE NEEDS IS NOW

No, Mr. President, I do not believe in worshiping even the most sacred political cows. We had better take a long, hard look, even at NATO. Oh, I know a hue and cry would be raised that this is no time, with the Berlin crisis confronting us, to suggest that perhaps everything is not exactly right and hunkydory in connection with military and economic foreign aid.

My answer is: This is exactly the time to do it. This is the time to make corrections and improvements in the foreign military and economic programs which will strengthen the United States and thereby strengthen our allies, so that we will be in a better position to meet the Berlin crisis and the next crisis which will be raised by the Russians, because if anyone thinks this is the last crisis, he has not made much of a study of Russian policies and strategy.

My feeling is that the military organization at the Pentagon Building is having a field day with Congress and the people of the country by using the Berlin crisis for stuffing the military budget far beyond the amounts which are needed.

So I think it becomes the clear duty of the members of the Committee on Foreign Relations to examine in minute detail the recommendations of the President concerning military and economic aid, and to examine in minute detail what I consider to be the obviously slanted recommendations of the Draper Committee.

COMMON DEFENSE IS ONLY JUSTIFICATION FOR MILITARY AID

Let us look at some of the general grants in military aid which the United States has been making for the past 10 years or more. Have they produced much good in many places? As chairman of the Subcommittee on Latin-American Affairs of the Committee on Foreign Relations, I can say that, in my judgment, there has been great waste of both military and economic aid in many parts of Latin America. In fact, I think most of the military aid to Latin America ought to be stricken completely. I do not believe it can be justified on the basis of the rationale that the Pentagon Building always uses, namely, that the money needs to be granted to Latin-American countries for hemispheric defense, because it will not do us any good for hemispheric defense. If we become involved in a nuclear war, the military appropriations to Latin America will be of no defense value.

The interesting thing is that most of the Latin-American governmental leaders to whom I talked are honest enough to tell me so. The entire Committee on Foreign Relations had that fact brought to its attention last July, when a couple of members of the Parliament of Chile came to the Capitol and had lunch with the committee. A former member of the Chilean Senate asked, "Why do you send us military aid? Why do you send military aid to Latin America. What good do you think it does you? Do you not recognize that for the most part it is used to stir up trouble in the individual countries to which it goes, and to stir up trouble among the Latin-American countries themselves?"

I believe that in part our problem of bad relations with Latin America is due to the fact that we have made a serious mistake in sending military aid, by and large, to Latin America. Certainly it has been inexcusable for us to send any of it to any dictator in Latin America, whether it was Batista, of Cuba, Jimenez, of Venezuela, or Trujillo, of the Dominican Republic, or others.

I shall not vote for a dollar of military aid to a single totalitarian regime in Latin America. Senators may remember that I led the fight last year, both in committee and on the floor, against such a program. I shall do so again this year. An exceptionally good case will have to be made to justify any so-called military aid, even for police protection purposes, in any other country.

But that is one place where a lot of water can be squeezed out of the Eisenhower military foreign aid program, and the taxpayers are entitled to it. When that is done, it will not weaken the security of our country in the long run; our security will be strengthened.

As the former senator from Chile pointed out to us, what we should be doing is to try to arrange with Canada, to our north, and with our Latin American neighbors to the south, an international compact whereby it will be agreed that all of us, acting in concert, will stand ready and willing at all times to protect the territorial integrity of any Latin American country which is threatened by an attack from without. That is the first step which we should take. I think his point is undeniably correct.

OUR MONEY SHOULD GO INTO ECONOMIC PROJECTS

Then he said, "Lend us the money which you are now sending to Latin America for military aid. Lend it to us for specific economic projects which will help to raise the standard of living of the people in the area where the project is to be constructed."

The only fault I can find with his suggestion is that it makes common sense. In this field, I have almost reached the conclusion that if one wants to get action from Congress, one should follow the President's example and propose a military aid program which does not make sense, or an economic aid program which in many particulars has no sense connected with it.

The money which now is going into military aid ought to be lent to Latin American countries for specific improvements or specific projects on a line-of-credit basis, to be drawn upon as the projects are constructed.

Let us look at some of our military aid in other parts of the world outside NATO. Go to those countries and look at the results. If it were not such a tragic waste of the taxpayers' money, it would really be high humor. But it is not humor; it is a sad thing. Because the military in this country have been able to influence this administration to such an extent that millions and millions of the taxpayers' dollars are being poured down a drain hole, so to speak, the program ought to be labeled "military aid waste."

I shall vote for some cuts in that kind of military aid. There were more members of the Committee on Foreign Relations last year who supported cuts in this field than there were the year before.

I am hopeful that despite all the propaganda the administration is pouring out about the Berlin crisis, this year a majority of the Senate Committee on Foreign Relations will apply the pruning knife to Dwight D. Eisenhower's military-aid budget, and also in some respects in regard to his economic assistance budget, and will make the savings which I believe will strengthen the foreign policy of the Nation, and also will be useful in stopping what I consider to be the inexcusable shortsightedness of the President of the United States in regard to some domestic economic problems.

Mr. President, at this time I shall yield the floor, provided it is understood—and I ask unanimous consent for this purpose—that on tomorrow, immediately following the speech of the Senator from Louisiana [Mr. LONG], I shall be recognized, to make my second speech.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

There being no objection, at 6 o'clock and 16 minutes p.m., the Senate took a recess, subject to the call of the Chair.

At 6 o'clock and 26 minutes p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following joint resolutions of the Senate:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION — CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today).

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Was there any support on the House side among the conferees for the amendment, adopted by the Senate, which had been offered by the Senator from Minnesota [Mr. McCARTHY]?

Mr. BYRD of Virginia. I believe there was one Member who was in favor of it. I should say, first, that all the conferees on the part of the Senate signed the report.

Mr. JAVITS. I assume that includes the Senator from Minnesota [Mr. McCARTHY], who was one of the sponsors of the amendment.

Mr. BYRD of Virginia. Yes. All the managers on the part of the House also signed the report. When the motion was made that the Senate recede from its amendment, the Senator from Minnesota [Mr. McCARTHY], of course, voted against the motion. I believe one Member of the House voted against it. Mr. FORAND was not present, but his proxy was held by Chairman MILLS.

Mr. JAVITS. How many conferees on the part of the House were present?

Mr. BYRD of Virginia. There were five conferees on the part of the House and five conferees on the part of the Senate. The Senator from Minnesota made a very strong plea for the adoption of his amendment. However, the House, by a vote—I think it was a vote of 4 to 1—refused to agree to it. The conference did adopt the so-called technical amendment.

Mr. JAVITS. I understand the conference report has already been adopted by the House. Is that correct?

Mr. BYRD of Virginia. That is correct.

Mr. JAVITS. Am I correct in my understanding of the present situation, that if the program should end on the 1st of April, it would be necessary to dismantle the administration of the program; and that even if it were reestablished in 10 or 15 days, it might be extremely difficult, from a technical standpoint, and also very costly? Is that correct?

Mr. BYRD of Virginia. The program provides that those who are on the rolls as of April 1 will be continued to July 1.

Mr. JAVITS. I do not believe the Senator from Virginia quite understood my question. Let us suppose we do not adopt the conference report. I believe those in charge of the program feel that the dismantling operation would have to start at once and that it would be very difficult and costly to restore the operation even if we should pass a bill in 10 or 15 days.

Mr. BYRD of Virginia. The Senator is entirely correct. The personnel, as I understand, would have to be dismissed on April 1.

Mr. JAVITS. I gather, then, that both the Senator from Virginia and the Senator from Minnesota advise that the Senate concur in the report.

Mr. BYRD of Virginia. Yes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. MANSFIELD. We are faced with the situation, in other words, where it is this or nothing. Is that correct?

Mr. BYRD of Virginia. The Senator is entirely correct.

Mr. JAVITS. May I ask one further question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I understand that the Committee on Finance has under consideration questions dealing with Federal standards for unemployment compensation. Is that correct?

Mr. BYRD of Virginia. The Ways and Means Committee of the House has such questions under consideration. Hearings have been scheduled to start on April 7 with respect to the establishment of Federal standards.

Mr. JAVITS. We in the Senate cannot act until the House acts; is that correct?

Mr. BYRD of Virginia. It is.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 110) establishing that when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959, in which it requested the concurrence of the Senate.

EASTER ADJOURNMENT

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 110, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959.

Mr. BARTLETT. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

PROGRAM FOR TOMORROW

Mr. HOLLAND. Mr. President, I should like to address an inquiry to the acting majority leader, as to what his plans are for tomorrow.

Mr. MANSFIELD. I will say to the distinguished Senator from Florida that to the best of my knowledge, there will be no votes tomorrow. Three speeches are scheduled. The Senate will meet at 10 o'clock in the morning. At the conclusion of the business of the Senate, an adjournment will be taken until April 7.

Mr. HOLLAND. I take it that tomorrow's session will be in the nature of an Easter eve meeting; is that correct?

Mr. MANSFIELD. Yes; the Senator may leave now, if I gather what he is driving at.

UNEMPLOYMENT COMPENSATION

Mr. HART. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an editorial entitled "Shame on Them," published in the Detroit Times of March 23, 1959. It is pertinent in the light of the colloquy which occurred between the senior Senator from Michigan [Mr. McNAMARA] and Senators on the other side of the aisle as to what the situation is in the Michigan State capital.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHAME ON THEM

Republican performance in the cash crisis at Lansing borders on disgrace.

With our State being jeered from Maine to California, GOP legislative representatives are compiling a record of obstructionism, senseless jealousy and inaction.

They utter promises of no payless paydays in State government, no school closings, no hungry welfare families, but do nothing to prevent it.

They refuse to support Governor Williams' proposal to use the veterans' 50-million-dollar trust fund, yet offer no alternative for averting fiscal disaster.

Their talk of bipartisan cooperation has been exposed as a sham, judging from last Thursday's events in the House.

Republicans wanted Democrats to take the blame for "tampering" with the politically sacrosanct Veterans' Trust Fund. Democrats squirmed for weeks trying to avoid it, but when the chips were down, they met the challenge, almost to a man.

With the exception of 10 courageous Republican house members, the GOP did not.

Speaker Don Pears, a leader in phony bipartisan talkathon, hid behind the privilege of not voting. Republican floorleader Allison Green voted "No," though he admitted later he cannot offer a better solution.

Republican representative Harry Phillips of Port Huron capped the fiasco, saying:

"If the State's condition is so bad we have to rob the veterans, then let's go bankrupt and start all over."

Representative Phillips' remarks moves us to raise these questions:

Is this the party struggling to regain prestige and power wrested from them by a militant opposition?

Is this the party trying to convince voters theirs is the party of responsibility?

Is this the Republican answer to Michigan teachers, State employees and families on relief who face payless paydays in the next 60 days?

We earnestly hope not.

If it is Governor Williams and the Democrats they are after, the Republicans cannot lick them in the legislative chambers. They have to do it at the polls.

From where we stand, the Republicans do not have a chance until action replaces inertia and adult reasoning is substituted for kindergarten politics.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. KUCHEL. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 48 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, March 26, 1959, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 25, 1959:

U.S. COURT OF CUSTOMS AND PATENT APPEALS

Eugene Worley, of Texas, to be chief judge of the U.S. Court of Customs and Patent Appeals, vice Noble J. Johnson, retired.

Arthur M. Smith, of Michigan, to be associate judge of the U.S. Court of Customs and Patent Appeals, vice Eugene Worley, elevated.

U.S. MARSHALS

M. Frank Reid, of South Carolina, to be U.S. marshal for the western district of South Carolina for the term of 4 years. He is now serving in this office under an appointment which expired March 16, 1959.

Hobart K. McDowell, of Texas, to be U.S. marshal for the northern district of Texas for the term of 4 years. He is now serving in this office under an appointment which expired April 2, 1958.

IN THE AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the U.S. Air Force under the provisions of section 8351, title 10, United States Code, and section 8381, of Public Law 861, 85th Congress.

To be major general

Brig. Gen. Lewis A. Curtis, AO729140, New York Air National Guard.

Brig. Gen. Howard F. Butler, AO403692, Tennessee Air National Guard.

To be brigadier general

Col. Barnie B. McEntire, Jr., AO396288, South Carolina Air National Guard.

Col. William R. Sefton, AO668649, Indiana Air National Guard.

Col. Howard T. Markey, AO442531, Illinois Air National Guard.

Col. Willard W. Millikan, AO885404, District of Columbia Air National Guard.

Col. Raymond L. George, AO426384, New York Air National Guard.

Col. Jack W. Stone, AO164956, California Air National Guard.

Col. Ross C. Garlich, AO397879, Missouri Air National Guard.

Col. Jack Parsons, AO396885, Alabama Air National Guard.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Louise R. Fulford, Faunsdale, Ala., in place of A. P. Moseley, resigned.

Talton A. Shaw, Jr., Langdale, Ala., in place of Glenn Draper, deceased.

ARIZONA

Evelyn M. Linnane, Sanders, Ariz., in place of R. W. Cassady, resigned.

ARKANSAS

Mae R. Willis, Watson, Ark., in place of R. H. Willis, retired.

CALIFORNIA

John W. Henry, Altadena, Calif., in place of E. B. Cardiff, retired.

Leland E. Stuart, Courtland, Calif., in place of F. F. Howard, deceased.

Robert S. Dart, Lincoln, Calif., in place of R. W. Miner, resigned.

Minnie P. Lynn, Rio Oso, Calif., in place of J. E. Butler, resigned.

COLORADO

Linton L. West, Blanca, Colo., in place of W. A. Simmer, deceased.

Neil K. Clay, Hotchkiss, Colo., in place of G. H. Duke, Jr., deceased.

CONNECTICUT

Emeline T. Slaiby, Lakeside, Conn., in place of R. M. Monroe, resigned.

Nelson A. Potter, Windham, Conn., in place of J. M. Potter, retired.

Arthur Manzi, Woodbury, Conn., in place of P. F. Cassidy, removed.

FLORIDA

Charles A. Lee, Windermere, Fla., in place of A. S. Given, retired.

Fred H. Bekemeyer, Winter Garden, Fla., in place of E. M. Henderson, transferred.

GEORGIA

Alson C. Snyder, Jr., Hartwell, Ga., in place of F. S. White, deceased.

Willard W. Mann, Riverdale, Ga., in place of W. T. Young, retired.

Cecil Hancock, Royston, Ga., in place of R. C. Ayers, retired.

IDAHO

Walter P. Kahler, Mackay, Idaho, in place of Mildred Richards, retired.

ILLINOIS

Lester W. Black, Downers Grove, Ill., in place of R. W. Schultz, resigned.

John P. Schmucker, Joliet, Ill., in place of J. W. Lowrey, retired.

Clyde H. Steffee, Mundelein, Ill., in place of C. E. Teson, retired.

INDIANA

Robert E. McKain, Carthage, Ind., in place of J. E. Porter, removed.

George L. Reitz, Chrisney, Ind., in place of R. T. Jones, deceased.

Norval W. Chamness, Marshall, Ind., in place of H. E. Delp, retired.

William J. Leonard, Monroeville, Ind., in place of J. E. Meyer, retired.

Harold H. Scott, Monterey, Ind., in place of C. A. Good, retired.

Cleson D. Weldy, Wakarusa, Ind., in place of Vern Hahn, deceased.

Charles E. Carey, Whitestown, Ind., in place of E. M. Miller, retired.

IOWA

Verle E. Meggers, Independence, Iowa, in place of C. V. McDonald, transferred.

Thomas W. Gidley, Jr., Malvern, Iowa, in place of S. P. Mulholland, deceased.

Kathleen V. Toms, Mingo, Iowa, in place of R. E. Russell, retired.

Bessie M. Waterhouse, Oakville, Iowa, in place of C. M. Sexton, resigned.

KANSAS

Frances L. Warkentine, Auburn, Kans., in place of Ina Cellers, retired.

Paul B. Rhoades, Cawker City, Kans., in place of Joe Wierenga, resigned.

William D. French, Eureka, Kans., in place of R. L. Marlin, resigned.

KENTUCKY

Kermit L. Tussey, Cynthiana, Ky., in place of J. M. Magee, retired.

George Morgan, Jenkins, Ky., in place of M. H. Vaughan, retired.

LOUISIANA

Pauline S. Jones, Angie, La., in place of L. G. Nagel, retired.

Claude T. Cox, Vivian, La., in place of S. O. Wilson, deceased.

MAINE

Philip E. Plante, Machias, Maine, in place of E. H. Parlin, retired.

Bert A. MacKenzie, Orono, Maine, in place of H. E. Rice, retired.

MARYLAND

Charles E. Whittle, Fort George G. Meade, Md., in place of C. A. Bechtold, retired.

MICHIGAN

Lewis H. Bishop, Cass City, Mich., in place of C. V. Muntz, transferred.

Morris E. Parish, Coopersville, Mich., in place of R. A. McLellan, resigned.

Kenneth D. Kerswill, Gladwin, Mich., in place of J. L. Heslop, deceased.

Kenneth E. Scripsma, Holland, Mich., in place of Harry Kramer, retired.

MINNESOTA

Marguerite D. Manders, Big Falls, Minn., in place of M. J. Peterson, resigned.

Marvin E. Michelson, Buffalo Lake, Minn., in place of J. G. Williams, transferred.

William E. Kieren, Gilbert, Minn., in place of Herman Frajola, retired.

Charles H. Bordwell, Keewatin, Minn., in place of O. A. Olson, retired.

MISSOURI

Harold R. Bond, Cairo, Mo., in place of H. H. Reynolds, retired.

Clarence W. Yarnell, Clarksburg, Mo., in place of Margaret Stephens, retired.

James G. Litzler, Dudley, Mo., in place of G. M. Edmundson, resigned.

Joe M. Keefhaver, Edgerton, Mo., in place of G. W. Miller, deceased.

Chester P. Sulser, Ellington, Mo., in place of R. G. Carter, deceased.

NEBRASKA

Paul D. Coder, Wellfleet, Nebr., in place of L. J. Henry, transferred.

NEW JERSEY

John R. Wert III, Hopewell, N.J., in place of M. J. McAlinden, retired.

William B. Conkright, Towaco, N.J., in place of P. N. Mazziotta, deceased.

NEW MEXICO

Roy W. Harman, Carrizozo, N. Mex., in place of H. E. Kelt, retired.

NEW YORK

Myron F. Blakeney, Buffalo, N.Y., in place of J. R. Hawn, deceased.

Edwin Craft, Ellenville, N.Y., in place of J. E. Gilleran, deceased.

Elaine L. Bruce, Moira, N.Y., in place of C. C. Young, deceased.

Roscoe C. Odell, Pleasantville, N.Y., in place of L. D. Olmstead, deceased.

NORTH DAKOTA

Melvin L. Tofteland, Antler, N. Dak., in place of J. B. Wright, transferred.

OHIO

Loyal Lee Andrews, Greentown, Ohio, in place of F. L. Diffenderfer, retired.

Orvile C. Hoover, Salem, Ohio, in place of L. D. Beardmore, deceased.

Richard J. Swain, South Zanesville, Ohio, in place of J. E. Kassel, retired.

OKLAHOMA

Virgil R. Hughes, Blanchard, Okla., in place of T. J. Lucado, Jr., resigned.

James R. Henderson, Lindsay, Okla., in place of B. M. Luton, Jr., deceased.

OREGON

Roger J. Thompson, Cutler City, Oreg., in place of H. V. Crane, deceased.

PENNSYLVANIA

Eugene W. Mather, Benton, Pa., in place of D. E. Hartman, retired.

Paul R. Faux, Butler, Pa., in place of J. B. Murrin, deceased.

Antoinette M. Klarman, Folsom, Pa., in place of E. M. Goodwin, retired.

Merl W. Seavers, Hershey, Pa., in place of D. S. Graeff, retired.

Edna V. Loeffel, Lemont Furnace, Pa., in place of A. J. Haught, deceased.

Elmer C. Maurer, New Berlin, Pa., in place of J. S. Seebold, retired.

Irvin V. Diffenderfer, New Holland, Pa., in place of C. F. Yost, retired.

Margaret T. Silvis, Pleasant Unity, Pa., in place of I. F. White, deceased.

William J. Zepp, York Springs, Pa., in place of P. E. Trump, resigned.

SOUTH CAROLINA

Edward F. Cross, Cross, S.C., in place of M. C. Rodgers, removed.

Monroe H. Hutto, Montmorenci, S.C., in place of J. L. Berrie, deceased.

TENNESSEE

Maggie L. Bell, Auburntown, Tenn., in place of J. F. McKnight, deceased.

VIRGINIA

William W. Thomas, Dryden, Va., in place of G. E. Orr, removed.

Martin Luther Garraghty, Goode, Va., in place of J. S. McCauley, retired.

WASHINGTON

Merle R. Johnson, Trout Lake, Wash., in place of C. M. Langfield, resigned.

WEST VIRGINIA

George B. Jordan, Ripley, W. Va., in place of H. E. Starcher, removed.

WISCONSIN

William G. Brown, Delafield, Wis., in place of T. A. Lowerre, retired.

WYOMING

Leo M. Buckley, Lander, Wyo., in place of L. J. Vaughn, retired.

Harold V. Baas, Sheridan Wyo., in place of J. R. Gage, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25, 1959:

POSTMASTERS

ALABAMA

Thomas E. Fischer, Plantersville.

ARKANSAS

Ferrell S. Tucker, Caraway.

KANSAS

Roland D. Kesler, Quinter.

KENTUCKY

John F. Murdock, Covington.

OKLAHOMA

Henry A. Hewett, Durant.
Jim J. Loftis, Frederick.
Jack H. Justice, Maysville.

PUERTO RICO

Luis Domenech, Isabela.
Efrain Poupart, Las Piedras.

SOUTH CAROLINA

Robert B. Nickles, Donalds.
Thomas T. Adkins, Marietta.

WASHINGTON

Monty Fraser, Othello.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 25, 1959

The House met at 12 o'clock noon.

Rev. Vladimir L. Tarasevitch, St. Procopius Abbey, Lisle, Ill., offered the following prayer:

O Lord, our God, who in creating man to Your image and likeness, have endowed him with certain inalienable rights of life, liberty, and the pursuit of happiness, mercifully grant that our long-suffering Byelorussian brothers may soon enjoy all these rights, so that they may worship You, their Creator and Redeemer, in peace and freedom. Help them to remain faithful to You. Lighten their heavy burden. Enkindle in them the hope of deliverance. Save, O Lord, Your people and bless Your inheritance.

Bless, O Lord, the United States of America, the bastion of freedom and hope of the oppressed. Inspire its leaders to pursue the cause of peace and justice with courage. Grant, O Lord, peace in our days. To You with the Father and the Holy Spirit all honor and glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 15. Concurrent resolution providing for the printing of the "Code of Ethics for Government Service" as a House document; and

H. Con. Res. 109. Concurrent resolution extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts.

The message also announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States; and

S. Con. Res. 9. Concurrent resolution extending a welcome to the Inter-American Bar Association.

EXTENDING A WELCOME TO THE INTER-AMERICAN BAR ASSOCIATION

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (S. Con. Res. 9) extending a welcome to the Inter-American Bar Association, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. GROSS. Mr. Speaker, reserving the right to object, is this going to cost any money?

Mr. FASCELL. It will not, I am very happy to inform the gentleman from Iowa. This just extends a very hearty welcome to the Inter-American Bar Association holding its 11th convention in Miami, Fla.

Mr. GROSS. I thank the gentleman. I withdraw my reservation of objection, Mr. Speaker.

Mr. FASCELL. Mr. Speaker, it was my pleasure and privilege to introduce House Concurrent Resolution 80, a companion bill to Senate Concurrent Resolution 90 sponsored by our able, distinguished Senator GEORGE A. SMATHERS.

House Concurrent Resolution 80 was unanimously approved by the House Committee on the Judiciary yesterday. I take this opportunity to assure the committee members of my appreciation and gratitude for their prompt and favorable action on my bill, and for their many courtesies extended me in connection with this legislation.

The resolution which is before us today and which will be adopted by this body extends well-deserved recognition and welcome to the Inter-American Bar Association which is holding its 11th conference at Miami, Fla., in April of this year.

This organization, composed of professional men interested in the field of international and comparative law, has made and will continue to make a significant contribution to hemispheric solidarity and understanding. Congress cannot discuss the Inter-American Bar Association without paying tribute to William Roy Vallance, the secretary general. He has performed outstanding service for 40 years in the Legal Adviser's Office of the U.S. Department of State, terminating his service in 1957. He was one of the founders of the Inter-American Bar Association in 1940, bringing together a group of representatives of 20 bar associations in 13 countries to start the association. He has been president of the Inter-American Bar Association and his personal efforts and contributions mark a significant achievement in individual efforts to improve Inter-American understanding.

The present president of the Inter-American Bar Association is the Honorable Cody Fowler, of Tampa, Fla., a distinguished Floridian, former president of the American Bar Association.

Past presidents of the Inter-American Bar Association include the Honorable Joseph A. Moynihan, of Detroit, presiding circuit judge of Michigan; and Hon. Robert G. Storey, dean of Southern Methodist Law School, Dallas, and a former president of the American Bar Association.

The vice presidents of the association are presidents of the National Bar Associations which are members. In other

words, the president of the principal bar association in each country is a vice president of the Inter-American Bar Association. The vice presidents are:

Alfredo Guaglia, Buenos Aires, Argentina.

Alcides Alvaindo, La Paz, Bolivia.

Trajano de Miranda Valverde, Rio de Janeiro, Brazil.

Raul Varela, Santiago de Chile.

Jesus Maria Yepes, Bogota, Colombia.

Fernando Baudrit Solera, San Jose, Costa Rica.

Jose E. Gorrin, Havana, Cuba.

Olegario Helena Guzman, Ciudad Trujillo, Dominican Republic.

Alfonso M. Mora, Quito, Ecuador.

Alfonso Almengor Rodriguez, Guatemala, Guatemala.

Ramon E. Cruz, Tegucigalpa, Honduras.

Jesus Rodriguez Gomez, Mexico City, Mexico.

Enrique Cerda, Managua, Nicaragua.

Eduardo Valdes, Panama, Panama.

Salvador Villagra Maffiodo, Asuncion, Paraguay.

Ulises Montoya Manfredi, Lima, Peru.

Charles S. Rhyne, Washington, D.C.

Jose Arlas, Montevideo, Uruguay.

Celestino Gonzalez Mata, Caracas, Venezuela.

Obviously, these men are some of the outstanding men in the hemisphere. Other association officers are Dr. Miguel S. Macedo, of Mexico City, treasurer, and assistant treasurer, Charles R. Norberg, of Washington, D.C.

Since its organization in 1940, the association has held 10 conferences of lawyers in this hemisphere that have brought together voluntarily at their own expense, large groups of lawyers averaging about 500 in number. At these conferences, held both in Latin America and in the United States, outstanding Americans from both North and South, have participated. Among the many were such men as Alben W. Barkley, former Vice President of the United States, the late Senator Arthur H. Vandenberg, and former President Herbert Hoover.

The Florida Bar Association, the Dade County Bar Association, and the University of Miami are the host for this 11th conference to be held in Miami, Fla., April 10 to 19, under the presidency of Cody Fowler of Tampa. We in Florida are honored that the association is holding this important 11th conference in our area which has always prided itself in its efforts and achievements in Latin American understanding and hemispheric solidarity. We are all confident that the meeting will be an outstanding success. The reports and discussions on some 75 topics which will be presented at the conference by leaders of the legal profession in each of the nations of this hemisphere will have far-reaching effects, not only in the legal profession, but also in promoting understanding, cooperation and good will among the peoples of the hemisphere.

This resolution therefore, Mr. Speaker, will express to the lawyers and to the peoples of the other nations of this hemisphere, the interest of the Congress of the United States in the success of this meeting in Miami of the Inter-American Bar Association, extending to them a hearty welcome and wishing them continued success in their efforts.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the resolution, as follows:

Whereas the Inter-American Bar Association will hold its eleventh conference at Miami, Florida, during the month of April 1959; and

Whereas the purposes of the association, as stated in its constitution, are to establish and maintain relations between associations and organizations of lawyers, national and local, in the various countries of the Americas, to provide a forum for exchange of views, and to encourage cordial relations among the lawyers of the Western Hemisphere; and

Whereas the high character of this international association, its deliberations and its members can do much to encourage cordial relations among the countries of the Western Hemisphere: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States welcomes the Inter-American Bar Association to the United States, and wishes the association unparalleled success in its eleventh conference; and be it further

Resolved, That a copy of this resolution be transmitted to the Secretary General of the Inter-American Bar Association.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

A similar House resolution was laid on the table.

GREEK INDEPENDENCE DAY

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, today, March 25, is the 138th anniversary of the beginning of the struggle of the people of Greece for their independence from the Ottoman Empire. On March 25, 1821, the Greek War of Independence began when the archbishop of Patras raised the flag of freedom in the monastery of Aghia Lavra and the people of Greece dedicated themselves to the attainment of their liberty.

Today, with the peoples of the world who believe in political freedom threatened on every hand by the tyranny of Soviet communism, I believe that we should all reflect on the long battle for independence of Greece, where the democratic ideals on which our own country is founded were born.

To mark the occasion of Greek Independence Day, I have today introduced in the House of Representatives the following resolution:

Whereas the democratic ideals that have made the United States of America the greatest free nation in the world were born many centuries ago in Greece; and

Whereas these ideals have kindled in the hearts of the people of Greece the determination that no sacrifice is too great for the cause of freedom and democracy; and

Whereas in every country people of Greek origin celebrate March 25 as Greek Independence Day, this day marking the beginning on March 25, 1821, of a 7-year struggle of the people of Greece to win their independence from the Ottoman Empire; and

Whereas free men in every nation rejoice that the principles of domocracy are again firmly established in the land of their birth: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be authorized and requested to issue a proclamation designating March 25 of each year as Greek Independence Day and that he invite the people of the United States to observe such day with appropriate ceremonies.

THE PENDING FAIR TRADE BILL

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, I take this opportunity to tell my colleagues that yesterday and today, in the RECORD, they will see a series of studies by myself on the pending fair trade bill, H.R. 1253. I took a lot of punishment for this House on the fair trade matter last fall, and, as a result of the hearings of the subcommittee which I faithfully attended and the studies that I made at that time, I have some information to which I wish to call your attention. I believe that the fair trade bill is antithetical to everything that the Members of this House stand for, regardless of political party, whether they are liberal or conservative in outlook.

I simply state that fair trade, as presently conceived, would destroy free enterprise, is unconstitutional, and would certainly violate State law.

STUDIES AND INVESTIGATIONS BY COMMITTEE ON AGRICULTURE

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 216, Rept. No. 253) which was referred to the House Calendar and ordered to be printed:

Resolved, That H. Res. 93 authorizing the Committee on Agriculture to make certain studies and investigations is amended by inserting on page 3, line 6, after "United States," the words "or outside the United States by subcommittees of not to exceed five members,".

Mr. SMITH of Virginia. Mr. Speaker, so far as I know, there is no opposition to this resolution and, as the House is about to take a recess, I ask unanimous consent for the immediate consideration of House Resolution 216.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, the gentleman from Virginia has

spoken to me about this. I should like to express the hope that after the Committee on Agriculture has had the opportunity to look at some of the agricultural problems down there, they might take a look at them in this country.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BRETTON WOODS AGREEMENTS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 217 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4452) to amend the Bretton Woods Agreements Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 217 makes in order the consideration of H.R. 4452, to amend the Bretton Woods Agreements Act. This resolution provides for an open rule, waiving points of order, and 2 hours general debate.

The bill would authorize the U.S. Governor of the International Monetary Fund to request and consent to an increase of $1,375 million in the quota of the United States. The U.S. Governor of the International Bank for Reconstruction and Development would also be authorized to vote for increases in the capital stock of the Bank and, if such increases become effective, on behalf of the United States to subscribe to 31,750 additional shares of stock under the articles of agreement of the Bank.

The bill provides for public debt transaction to finance the additional subscriptions in both the Fund and the Bank. Of the $1,375 million increase in the U.S. quota in the Fund, 25 percent, or $344 million, is payable in gold. The balance will be held by the Fund in non-interest-bearing notes, to be used only at such times as the Fund may need cash to meet drawings by its members. The increase in the subscription to the Bank is not expected to result in any payments from the United States to the Bank.

The Bretton Woods Agreements Act of 1945 authorized membership by the United States in both the Fund and the Bank. The two institutions represent a basic effort to deal with long-range international financial and economic problems. Both institutions have been outstandingly successful. The Bank has assisted in the economic growth of less developed countries through sound loans to finance development projects. The Fund has been able to bring about greater stability in foreign exchange markets and greater freedom in international payments transactions and has been able to promote the adoption of sound fiscal, monetary, and foreign exchange policies. The Fund and the Bank have become major instruments of international cooperation in the free world.

There has been increasing evidence that the resources of these two institutions should be enlarged. Reports made to the Board of Governors by the Executive Directors, authorized in resolutions adopted at the annual meeting of the Governors at New Delhi, India, in October 1958, recommended increases in the quotas of the Fund and in the authorized capital of the Bank, and also in the subscriptions to its capital stock.

In his message to the Congress on February 12, 1959, the President stated, "For the well-being of the free world and in our own interest, it is essential that the proposed increases in the resources of the Bank and the Fund take place."

I urge the adoption of House Resolution 217.

Mr. BROWN of Ohio. Mr. Speaker, I yield 15 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I take this time to get some information about this bill. I am not necessarily opposed to the rule. I expect that the rule will be voted and probably the bill passed regardless of any opposition I may offer to it.

I take this time to ask some questions to get some information that I do not find in the report. I wonder if someone on the committee will tell me whether this $1,375 million is to be charged to the Federal debt.

Mr. ASHLEY. The entire amount is to be charged to the Federal debt.

Mr. GROSS. This then is an increase of $1,375 million in the Federal debt of this country, which now stands at some $286 billion?

Mr. ASHLEY. The gentleman is correct.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. KILBURN. This is in this year's budget.

Mr. GROSS. Let me say to the gentleman I am not concerned with what is in this year's budget. I am concerned about the Federal debt of this country and the burdens that the children of today and the children of tomorrow are going to have to meet. This is an addition of $1,375 million to the already staggering debt of this country.

As to defaults, I understand the record of these loans so far is quite good. Is that correct?

Mr. ASHLEY. That is correct. The gentleman is talking about loan funds now?

Mr. GROSS. Yes.

Mr. ASHLEY. Yes, the record is extremely good.

Mr. GROSS. There are no defaults of any consequence up to this point, but what does the gentleman think would happen if we pulled the pin on some of the giveaways, on the Development Loan Fund, and other similar programs? What does the gentleman think would happen to these loans if we pulled the pin on this free business; this giveaway stuff?

Mr. ASHLEY. I think the gentleman is not informed on the purpose of the Development Loan. Its purpose is simply to stabilize on a short-term basis the currencies of the countries which are members of the Bretton Woods Agreements Act.

Mr. GROSS. The Bank for Reconstruction and Development is in this bill?

Mr. ASHLEY. That is right.

Mr. GROSS. What would happen to those loans? Let me ask the gentleman the same question with respect to them.

Mr. ASHLEY. With respect to the Bank, the increase in our subscription does not go into the debt, that is, it does not increase our public debt either this year or next year.

Mr. GROSS. The gentleman very well knows that this loan structure would go down like a house afire if we ever pulled the pin on this foreign-aid business. Let me ask the gentleman this question: What is our quota?

Mr. KILBURN. Mr. Speaker, will the gentleman yield with reference to his last statement?

Mr. GROSS. Yes; and then I will address a question or two to the gentleman.

Mr. KILBURN. I do not think your statement was correct. These loans would not go down like a house of cards. The only loans that might be affected would be where the Government went down because these loans are secured by collateral.

Mr. GROSS. Let me ask the gentleman this question: What is our quota in this Bank and in the Fund?

Mr. KILBURN. It is 28 percent in one and 26 percent in the other.

Mr. GROSS. What are the quotas of all the other countries? In other words, then we are putting in one-fourth of all the money that goes into this Bank and Development Loan Fund; is that correct?

Mr. KILBURN. That is right.

Mr. GROSS. We are putting in one-quarter of it?

Mr. KILBURN. Yes.

Mr. GROSS. What is the matter with the other countries that they do not come up with more money?

Mr. KILBURN. We do not put ours in unless 75 percent of the other countries come up with theirs.

Mr. GROSS. Seventy-five percent—then that makes us a one-third stockholder; does it not?

Mr. KILBURN. No; because they all came up with theirs previously and I expect they will this time.

Mr. GROSS. Oh, I see. But on the basis of 75 percent, we could become more than a one-third stockholder.

Mr. KILBURN. These things are uncertain.

Mr. GROSS. I am sure of that. Now I would like to ask this question. How much does the United States borrow from the International Monetary Fund?

Mr. ASHLEY. The United States has not borrowed from the fund.

Mr. GROSS. Then we put the money up for the benefit of others; is that correct?

Mr. ASHLEY. The gentleman must try to understand that the purpose of this is to help stabilize the currencies of countries that are allies of the United States and to help these countries that are the bulwark of the free world against communism. We have not borrowed dollars from the Fund to stabilize our own currency.

Mr. GROSS. Are they not doing a pretty good job of that now with the Development Loan Fund and all the other handouts?

Mr. ASHLEY. Yes. The answer to that is this has proved a remarkably effective weapon in stabilizing the currencies of member countries.

Mr. GROSS. How much further do you want to go in throwing the money of this country all over the world?

Mr. ASHLEY. I would answer the gentleman in this fashion, that the quotas of the contributing countries to the Fund were based upon a period prior to 1944. Import and export trade has expanded tremendously since then, just as the currencies of the member countries have increased. It is for these reasons, among others, that the increase in the Fund is necessary.

Mr. GROSS. Would the gentleman say that the currency of the United States is stable?

Mr. ASHLEY. It is relatively so—yes.

Mr. GROSS. I see. Then we do not need any help from this Fund.

Mr. ASHLEY. Not at the present time.

Mr. GROSS. What countries do we have to help stabilize their currencies? What are some of the countries?

Mr. ASHLEY. If the gentleman will read the report, he will soon learn.

Mr. GROSS. Well, let us say Britain and France—they are a couple of the countries; are they not?

Mr. ASHLEY. Why, of course. As a matter of fact, the Fund proved to be a godsend just following the Suez crisis.

Mr. GROSS. Yes, and they started the crisis of Suez; did they not?

Mr. ASHLEY. Well, does that mean they are no longer our allies? What would the gentleman from Iowa have?

Mr. GROSS. They brought about the crisis at Suez; did they not?

Mr. ASHLEY. I would question that.

Mr. GROSS. Sure, then they turn around and come to this Fund for help; is that not correct?

Mr. ASHLEY. I do not think that is correct. I think Nasser brought on the Suez crisis. England did not.

Mr. GROSS. Who invaded Egypt; was it Nasser?

Mr. ASHLEY. I thought we were trying to converse about the Monetary Fund and not about these other matters.

Mr. GROSS. No. What I am saying is this, Britain and France created the crisis, then turned around and came to this Fund and the American taxpayers for help.

Mr. ASHLEY. I would answer the gentleman by saying that most certainly there are member countries who might become involved in crises, and subsequently are able to go to the Fund for assistance; yes, that is true.

Mr. GROSS. And the United States investors are not going to be very much interested in either of these ventures unless another $1,375 million is put in the kitty. Is that not right?

Mr. ASHLEY. No; that is not right. The fact of the matter is that these investments have proven extremely sound on an international market.

Mr. GROSS. Let me read to you from the CONGRESSIONAL RECORD:

> The Bank has been issuing bonds at the rate of $497 million in 1957 and $633 million in 1958. At this rate, the funded debt of the Bank will exceed the amount of the U.S. backing sometime in the next 2 years, depending on the volume of loans made by the Bank. American investors are therefore beginning to ask about an increase in the size of U.S. Government guarantee.

What do these investors get out of it? How are they paid? What income do they derive from it?

Mr. ASHLEY. Is the gentleman talking about the Fund or the Bank?

Mr. GROSS. I am talking about either one of them; I do not care. Take the Loan Fund; take the Bank for Reconstruction and Development.

Mr. ASHLEY. A great deal of their financing is done by refinancing; that is, the Bank is able to sell bonds to finance its operations.

Mr. GROSS. What do the investors get?

Mr. ASHLEY. What does the bondholder get?

Mr. GROSS. I wish the gentleman would tell me something about it. What interest is paid?

Mr. ASHLEY. I understand that the bonds pay about 4¼ percent. It depends upon the market, of course.

Mr. GROSS. How much? Did the gentleman say how much?

Mr. ASHLEY. In the neighborhood of 4¼ percent.

Mr. GROSS. Four and one-fourth percent; they do pretty well. How much do the Governors of this Bank get?

Mr. ASHLEY. As a salary?

Mr. GROSS. Yes.

Mr. ASHLEY. I cannot tell the gentleman that.

Mr. GROSS. Do they pay Federal income taxes on those salaries?

Mr. ASHLEY. I presume so, yes.

Mr. GROSS. Does the gentleman know whether they do or do not?

Mr. ASHLEY. I will say to the gentleman that I presume they do.

Mr. GROSS. Of course, the gentleman knows that U.S. employees of the United Nations do not; they pay taxes but then they are reimbursed. I would like to know the situation in this connection.

Mr. Speaker, I intend to offer an amendment to this bill at the proper time to provide that all members of the Fund meet their increased quotas before any money is put in by the United States. I think that is only fair. We are not borrowing money from the Fund. The people who are utilizing this Fund are 67 foreign countries, and until and unless they come in we should not put up our part. The bill provides that the United States may not put up its share until after 75 percent of the increased quotas are met by other countries. That is not good enough for me. All the foreign countries who are members of this Fund should come in and put up their money since they are the direct beneficiaries.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MASON. Section 2 of the bill states:

> Strike out "of $950,000,000"; strike out "$4,125,000,000," and insert "such amounts as may be necessary."

What does that mean?

Mr. GROSS. That is a good question. Perhaps the gentleman from New York [Mr. KILBURN] can answer, or someone on the other side of the aisle. Will the gentleman explain that?

Mr. KILBURN. It just means as much as is necessary to subscribe to the stock if we have to subscribe to it, 31,000 shares.

Mr. GROSS. Will the gentleman, while he is on his feet, explain to me this wording on page 1 of the bill:

> The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States.

By this language he is required first to request and then to consent. I always thought that a request presumed consent. What is the meaning of that language?

Mr. KILBURN. That is in the Fund.

Mr. GROSS. I am talking about the words "request and consent." What kind of language is that?

Mr. KILBURN. I suppose it means exactly what it says.

Mr. GROSS. To request and consent to $1,375,000,000. I hope the gentleman can make something out of that.

Mr. BOLLING. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. O'NEILL] and ask unanimous consent that he may be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'NEILL. Mr. Speaker, as you know, it is neither a pleasant nor an easy task to take the floor of this great House to eulogize a departed colleague. It is not pleasant because it reminds us that we have lost a friend. It is not easy because a man's lifework cannot be expressed in a few words. It is still more difficult when that person continues to live on in the hearts and memory of so many people.

I speak today, Mr. Speaker, of a departed colleague who served four terms in this Congress at various times and who once served as a member from the

district that I represent, the late and lamented James Michael Curley, former mayor of Boston and former Governor of the Commonwealth of Massachusetts.

He died last November just a few days before his 84th birthday. His body lay in state on Beacon Hill in the Hall of Flags at the statehouse. It is estimated that more than 100,000 viewed his body, and over 500,000 people spilled out of the cathedral and onto the streets to watch the cortege on its way in funeral procession.

I could not help but think as the funeral wended its way along the streets of Boston, in which Jim Curley was born and brought up, of the eulogy in "The Last Hurrah", a story that is said to have been the life of Jim Curley. Actually it was a eulogy when the author said:

> To have lived a long life, to have left the lot of many of those around you a little bit better than it once was, to have been genuinely loved by a great many people, and to have died in God's good grace, is no small thing to have happened to any man.

Truly in the annals of American city politics never has there been a more controversial figure than James Michael Curley. Born of immigrant parents, living in the teeming tenement district where the masses lived who had come from Ireland because of a great potato famine, working at driving trucks, as laborers and as hod carriers for coolie wages, he thought the plight of his fellow men could best be served if he entered public life. He had a long and glorious and yet a turbulent career. He was elected as a member of the Boston Common Council in 1900 and 1901. He served in the State house of representatives in 1902 and 1903; member of the Boston Board of Aldermen from 1904 to 1909; member of the Boston City Council in 1910 and 1911; elected to the Congress of the United States and served from March 4, 1911, until his resignation effective February 4, 1914, having been elected mayor of Boston. He served as mayor of Boston from 1914 until 1918, and by that time, under our law, you were unable to succeed yourself as mayor. He was elected mayor in 1922 and served until 1926; reelected in 1930 and served until 1934; elected Governor of Massachusetts in 1935 to 1937. Came back to the Congress of the United States for the 78th and 79th Congress in 1943 and 1947. He was reelected mayor of Boston again in 1946 and served until 1950. He was a Democratic national committeeman from 1941 until the time of his death. He served over 60 years in public life for the city, the State, and the Nation.

James Michael Curley served both his constituents and the people of the United States when he represented the 11th Congressional District of Massachusetts. Many have described him as "the big man, with the big heart, for the little people." James Michael Curley would never agree with such a description of himself simply because he did not believe that there were such beings as little people. For to him, each and every person, regardless of their state in life, shared equally in the dignity and individuality of God's perfect power of creation. This is not to say that Governor Curley failed to acknowledge the differences experienced by men because of varying natural possessions or physical wealth. His very beginnings in this world were object lessons in the poverty that he struggled long and hard and with considerable success to destroy. The fruits of his life's work are acclaimed today by many thousands of grateful families who no longer—but at one time knew—only hunger and need.

James Michael Curley at a very early age dedicated himself to a career of helping others. Had he directed his energies and his talents to other endeavors, this man with the silver tongue could easily have lived and died very rich in material things. Instead he gave his life to the people of his city, State, and Nation. And now, some months after his death, James Michael Curley, I say to you, Mr. Speaker, that there is not enough money in the banks of Boston combined that is capable of matching the priceless love for him that has been deposited in the hearts and minds of so many people.

Even before his death, James Michael Curley was a legend. Merely some of the stories told about him and by him would take several days to relate.

I remember some incidents myself of having met him along the way. I recall one day when he was at a meeting of bankers in Boston, and one of the bankers turned and spoke to Mr. Curley. It was interesting to note the background of this man. His father had been a banker and his father before him had been a banker and his son was a banker. And, he turned to Mr. Curley and said, "Mr. Curley, I understand that your father was a hod carrier. Why didn't you follow his profession?" Mr. Curley just looked at the gentleman and he said, "Yes, and I understand that your father was a gentleman." He was always one of a quick tongue. I remember one night when he was campaigning for a seat in Congress, and the man running against him was on the platform and he said, "I want to go to Congress because," he said, " I want to make my wife the wife of a Congressman." Curley turned to him and said, "The best thing for you to do is to drop dead and let your wife marry one." He was always quick on the tongue.

Here is a person, as I said, who was loved by many. I recall in 1936 when I was first elected to the legislature, having met Jim Curley at that time as a young fellow of 22, he said to me, "The true, quick, sure way of success in politics is to remember this. You will have literally hundreds of people over the course of years ask you for favors. Some of them may be great, some of them may be small; some of them may be important, some of them may be ridiculous; some of them may be easy, some of them may be hard. But remember, the person who asks you for the favor, to him it is the most important thing in the world, and treat them all alike. You will be able to take care of more of the small ones than you will of the large ones, but you will make as many friends doing the small ones as you will doing the large ones."

And I have found through the years that it was indeed a great bit of advice.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. BURLESON. Perhaps Mr. Curley somewhat paraphrased a statement of earlier times, but I recall in his book the rich philosophy so apropos to the public officeholder. He wrote, "There go the people. I am their leader. I must follow them." This suggests to me that as people demand of Washington today, their demands fall on attentive ears. As more services of various kinds are added, the Federal Government becomes bigger and more expensive.

Mr. O'NEILL. I thank the gentleman. Books have been written about Jim Curley; movies have been made about this legendary figure who, not so long ago, stood here in this Congress and who today lives in the hearts of so many people throughout the Nation. Some may ask, What is the measure of his greatness? The answer to such questions can be found in the story told to me by a very close friend.

Several years ago a dinner was being given in the main ballroom of one of the city's best hotels to honor a distinguished Bostonian. Seated at the head table was the then Republican Governor of Massachusetts as well as many notable figures of both political parties. The principal speaker of the evening was addressing a very attentive audience when in walked James Michael Curley who, at the time, was neither an officeholder nor a candidate. The speaker paused, looked in the direction of the former Governor, mayor, and Congressman, and like one, the whole audience and head table, led by the speaker, stood in a thunderous ovation to a man who could never be a has-been. As the crowd sat down, my friend noticed that the man seated beside him, a very successful Boston surgeon, had tears in his eyes. Since the doctor was not noted for his emotions, my friend inquired if there was something wrong. "No," the doctor replied. "I was just thinking of many years ago when that man made possible everything I am today."

The surgeon told how at the age of 16 he had gone to the then Mayor Curley for help. The doctor's mother was a widow and in ill health; his two older sisters, then in their 20's, were, because of the times, out of work. The boy's 23-year-old brother was studying to be a priest, but was about to leave the seminary to try and help overcome the family's heavy debt. Unknown to his family, this 16-year-old boy one day stood with the people who every morning lined up at the Curley home to seek help from their mayor. With great sympathy, the city's chief executive heard this young boy's story of his family's hardship. Within the day Mayor Curley found employment for the sisters, reduced the family debt to practically nothing, and in return asked but one favor. With a quaver in his voice, the prominent surgeon told my friend of

that request. "Tell your brother to stay in the seminary and ask him and your good family, when they have time, to please say a prayer for me."

Mr. Speaker, during a long lifetime of serving his people, James Michael Curley again and again did for others what he had done for that boy and his family. Such deeds are and will continue to be the measure of greatness for a leader whose battles were waged and won in a city, State, and Nation all of which today are more than just a little bit better because of James Michael Curley.

Like all leaders, Governor Curley neither expected nor enjoyed the unanimous support of all segments of the community. Like most of us, his every waking moment was not filled with perfect deeds, yet in the balance of things his was a most successful life, successful in that it benefited so many others while he himself experienced family troubles that would have stagnated the ordinary man.

My words today can contribute but little, if anything, to the love and memories that linger on in the hearts and minds of thousands, most of whom were "little people" to all the world, but not to James Michael Curley.

Mr. MACDONALD. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. Mr. Speaker, I join my colleagues in paying tribute to the late James M. Curley who passed away in November 1958.

Although word of Jim Curley's passing was not unexpected at the time, for he had been seriously ill, I know that it still came as a shock to his many friends throughout the country. Certainly it caused mourning in thousands of homes in Boston and elsewhere throughout Massachusetts.

Jim Curley had a colorful career as Congressman, mayor of Boston, and Governor of Massachusetts. If one could sum up in a single sentence the chief characteristic of Jim Curley, I believe that sentence would read: "His was a generous and courageous heart."

Jim Curley had experienced both victory and defeat during his long and eventful years, but after any temporary defeat, he always came back fighting courageously. And when the final defeat came, as it must to all men, he went down fighting.

Jim Curley was one of the most powerful political and humanitarian figures in the history of the State of Massachusetts. He was a rugged individualist with a strong personality.

He was endowed by nature with many praiseworthy qualities. He was an orator of exceptional eloquence. He could be sharp in criticism, quick in repartee, and was brilliant in his choice of words. Few men exceeded him either in ability or in the fighting spirit he displayed in the causes he supported. He was a man of courage, who fought with all his heart for the principles in which he believed.

In a State which plays the political game hard, Jim Curley was the author of some of the most important chapters of struggle and contest. The Commonwealth of Massachusetts will long remember him as a dedicated family man, a stalwart champion of the underprivileged, and a man who became a legend in his time.

To the members of his devoted family, I join my colleagues in extending my deep sympathy at their great loss.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, James Michael Curley was his name, and a strong name it was, befitting the man who made it famous in Boston and in Massachusetts and in the provinces beyond. In the course of his very active life, there were a few times when he was knocked down, but they could not keep him there. With his great vitality and his greater spirit, he always bounced back.

He had the foresight to come out for Franklin D. Roosevelt, and to oppose the conservative leaders of the Democratic Party in Massachusetts. He was defeated in his efforts to become a delegate to the national convention, and the conservatives breathed easier. Came the convention where, to everyone's surprise, and with infinite relish, Jim Curley popped up again, this time as Senor Curley, delegate from Puerto Rico. How he managed this is less important than the striking fact of Curley's resourcefulness and determination.

From that time on, no one ever took Jim Curley for granted. To the consternation of his enemies, he predicted that he was going to live to the ripe old age of 125, and he said it so convincingly that some people began to believe that he might win out over the laws of nature.

He grew up in Boston where the challenge of politics gives an added zest to the air. From the time that he was a young "shaver" he was fascinated by the excitement of politics, its drama, and the opportunity it offered to sharpen one's talents and one's skill.

It was no easy field of combat. Jim Curley was in it every minute of his life, for decade after decade. It was taking its toll of his tremendous energy. The body, however, could not keep up with his eternal spirit. He passed away in November 1958, after a long and eventful career as Congressman, several-times mayor of Boston, and Governor of Massachusetts.

Thousands and thousands of people in an unbroken line passed through the Hall of Flags in the statehouse for one last look at their old friend. "My adopted family" he would say, if he could see the grateful people for whom he had done so much. Truly he was the champion of the little man, fighting the rich and powerful in order to push through legislation that would open up more doors of opportunity for the poor, the unfortunate, and the immigrants who needed a helping hand to start their new lives in this strange land.

They never forgot the friend who was by their side when they needed him most. The depth and sincerity of their grief was moving evidence of the affection in which he was held by the thousands who came to pay their last respects. They remembered the handsome son of Irish parents who delighted the crowds at street-corner rallies in the old days. They followed him upward through the years for he was the symbol of their own striving—educating himself by his studies of the classics; developing the cultured voice that gently chided the patricians of Beacon Hill; outwitting the vested interests who opposed any change; breaking the barriers that stood in the way of human dignity and human potentialities.

He led them and the Democratic Party which spoke for them, out of the minority wilderness into the bright sunshine of majority support and successive mandates of public confidence. Every Democrat in Massachusetts owes more than he can ever repay to the grand old man of Bay State democracy whose memory we honor today.

Jim Curley has gone but his name, his personality, his achievements live on, glowing and immortal.

Mr. O'NEILL. I thank my colleague.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. BURKE].

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to join in this eulogy, together with my colleagues from Massachusetts, on the life of James M. Curley. There is hardly anyone in political life in Massachusetts who has not been touched by the activities of James M. Curley over the past 50 years. I knew James M. Curley. In some campaigns, I supported him and in a few, I opposed him. But, there was something about James M. Curley, something about his activities, his life, his interest in the poor, his interest in the small people that created an impression on everyone. I recall on many occasions when James M. Curley would visit the Boston City Hospital going into the maternity wards and insisting that proper care be given to the mothers of Boston. Curley's life was a rich life. We who were privileged to know him liked him because of his humaneness. He was a controversial figure. His monuments are all over the Commonwealth of Massachusetts. The great East Boston Tunnel, several of the buildings of the Boston City Hospital, many of the schools in the city of Boston were built under the administration of James M. Curley. James M. Curley will live in the hearts of the people of the city of Boston and the State of Massachusetts for many years to come.

Mr. O'NEILL. I thank my colleague.

Mr. Speaker, I yield to our distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, on November 12, 1958, 8 days before his 84th birthday, James M. Curley, one of America's outstanding and dramatic political figures, died in Boston, Mass. James M. Curley was the son of God-loving parents, both of whom were born in Ireland. Jim Curley rose from humble birth to high position.

His whole life was mainly devoted to the art and science of government in the field of elected public office. He was one of the most gifted men I have ever

met, a man of extraordinary ability through self-education, one of the most eloquent orators for decades in American public life, notable legislator as well as an outstanding public executive and administrator. Jim Curley never forgot he was a man of the people. He never forgot the sick, the poor, the afflicted, the underprivileged. Throughout his whole life as city legislator, mayor, Congressman, Governor, he fought in their behalf.

The monuments to his name and leadership in public service are too numerous to mention. Jim Curley was loved by countless tens of thousands of persons. During a public career of well over 50 years Jim Curley had 20 victories at the polls, councilman, alderman, State representative, Congressman on two different occasions and from two different congressional districts, the last one from a district in which he did not live, showing the respect and love the people had for him; mayor of Boston several times, and Governor of the Commonwealth of Massachusetts.

Tens of thousands of persons were the recipients of his kindness. He never turned a deaf ear to an appeal for help from those less fortunate than himself.

Jim Curley was truly a remarkable man. As mayor of Boston and Governor of Massachusetts he gave the people of the city and the State the most effective and highest type of administration possible. As mayor and Governor he was a public leader who gave both humane and businesslike administration. As a legislator he was a sound progressive, using his great talents, his vision, and courage, to make his city and his State and our country a better place in which to live.

Jim Curley has left indelible imprints upon the pages of the history of Boston, of Massachusetts, and of the United States. The best evidence of the widely held love for Jim Curley is the tens of thousands of persons who filed past his bier while it lay in the Hall of Flags in the statehouse of Boston, Mass., and who watched his funeral procession from the statehouse to the cathedral, and from the cathedral to the cemetery. Hundreds of thousands of persons viewed with regret and many with tears his funeral procession.

I admire very much the many fine qualities of Jim Curley. It will be a long while before one like Jim Curley will again come across the political horizon of our country.

To Mrs. Curley and to the late Governor's sons I extend my deep sympathy in their bereavement.

Mr. O'NEILL. Mr. Speaker, I am very grateful to my colleagues for their kind words today.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is with great appreciation, admiration, and respect that I speak of the Honorable James M. Curley today. He was in Congress when my late husband John Jacob Rogers was here, and my husband was devoted to him, devoted to his ability, his humor, his kindness, and his friendliness.

One of the respected qualities of James Michael Curley was his love and devotion for his family. On occasions my husband would remark, Congressman Curley had to break away from the dinner event early in order to return home to be with his wife who was an invalid. For many years, until the death of Mrs. Curley this love and devotion had priority over all that concerned James M. Curley. Later on when he married again this same love of family was generously given to the second Mrs. Curley and all of the children.

During his eventful lifetime, Governor Curley experienced many moments of sadness, more, much more, it would seem, than should extend to any man. During these times, his great heart was called upon to bear the loss not only of his beloved first wife but the misfortune of losing several of his children, in some instances almost simultaneously. Two of his children were buried at the same time.

James Curley was a man of the people. He believed in the mission of man on this earth. He believed in the brotherhood of man. He was everyone's friend. His greatest earthly pleasure was in giving pleasure to others and helping to make the burdens of his fellow man lighter and more easily to bear. He was respected by people because he loved people and was constantly extending a helping hand.

In addition to his kindness, Governor Curley also was very charitable. He gave away to others much that he gained during his life. He was always helping somebody.

Governor Curley was extremely kind to women, particularly those who earned their way in life. Always helping, he would do all he could to have their pay increased. He helped them to have better working conditions and more necessary comforts during working hours. He listened to their problems and made their difficulties of primary concern to him. He was particularly thoughtful in his efforts for all of the women employed at the statehouse in Boston regardless of their job or station. They considered him their friend.

James M. Curley was an exceptionally able man. With a keen intellect he observed and studied people. Through his own efforts he developed himself. In his early years in politics he came to know the value of being able to eloquently debate issues and persuade others. As his great voice developed his knowledge of human affairs broadened and at the top of his career he was recognized as one of the greatest orators America had ever produced. As he addressed an audience from the podium, his voice was rich, inspiring, magnificent.

Although the career of Governor Curley was in politics, it was his love of people and his deep desire to help his less-fortunate fellow man that endeared this man to countless numbers. Many considered him their protector. Many knew he would not permit them to be the subject of advantage for others. He would not allow people to be downtrodden. He would only permit people to be treated as human beings. Because "Jim" Curley believed in the people, they believed in him. When death came to "Jim" Curley, a little bit of a countless many also died.

Governor Curley was a fighter. In his many battles, however, he was the greatest always when he was fighting to help the people, the people who had so much faith in him. In his matured years James M. Curley was a man of kindness and understanding based upon a broad knowledge and comprehension of many problems. Experience was his great teacher. To know was his constant desire. To help was his dominant purpose.

A human being was God's work and James M. Curley believed the human being worthy of all effort. No man was unimportant. Every man was important. Every person possessed some talent, something of value, something to give to his other fellow men. Because of these beliefs James M. Curley constantly worked to improve and raise up the dignity of human beings. His work for his fellow man is his monument for eternity.

In addition to being a fighter James M. Curley possessed a great sense of humor and a gentleness as soft as a cloud. I remember I went to Governor Curley one time to seek his help in assisting me in the creation of a State park in Lowell, Mass. With great pleasure he gave me help. He knew this park not only would be beneficial to the city of Lowell, but it would also be a feather in my hat in the political campaign then in progress. He seemed to enjoy the full meaning.

Although I do not want to be personal I cannot refrain from saying he tried to help me with every matter I brought to his attention. Likewise he never asked me to do anything except to help people. Will you help this person, or will you do what you can for another? Always it was for the benefit of people he asked for help. I am proud to say I always did the very best I could.

When James M. Curley went to the statehouse for the last time, he came that the people he loved could pay their respects to him. This they did in a long single column, hour after hour, countless numbers, filed by him just to say "goodby" and "thanks." Here, indeed, was the evidence of the great respect and appreciation so full and so great in the hearts of the people. Here was their champion. Here was their statesman. Here was their orator. Here was their fighter. Here was their man. I know I express their thoughts with mine in saying James M. Curley was a great statesman, a great American, and one of the kindest men I have ever known.

Mr. O'NEILL. Mr. Speaker, I am very grateful to my colleagues for joining with me in paying reverence to the memory of a former Congressman from the 11th Congressional District of Massachusetts and in paying this tribute to James Michael Curley. Also in expressing to his wife and family our heartfelt sympathy and condolences.

A new era has grown up. James Curley was the last of the so-called city bosses. His legend will live on for years.

The many monuments that he built, the city hospitals, the bridges, the roads, will live on as everlasting monuments to his memory. But, more important than that—we have stressed it but little here today—James Michael Curley, who once was a great figure in these Halls, was one of the outstanding orators in the last 50 years of American history. He was a silver-tongued, golden-voiced orator. There is hardly a school in America of higher education that does not use the speeches of James Michael Curley in their teaching. They are using these recorded speeches as instruction to the youth of America. These will be in existence when the buildings and other legends are gone. They will still have the voice of Curley on these records in the schools of higher education to teach the youth of America.

May God have mercy on the soul of James Michael Curley.

Mr. DONOHUE. Mr. Speaker, I am pleased to join with my colleagues in expressing tribute to the greatness of the late James Michael Curley, one of the most distinguished sons in the history of our Massachusetts Commonwealth.

There are Members here who served with Governor Curley, not only in this body, but at other levels of State government, and who knew him better than I. No one could help but be tremendously impressed by the testimony they have recited here in revelation of the great soul and spirit of this remarkable man.

His leadership in and his achievements for the progress of social justice in the service of his State and Nation will be his everlasting monument in our political history. His personal nobility in concern for and consideration of the poor and unfortunate will be forever remembered in the minds and hearts of his home people. We join our prayers that his soul may rest in peace.

Mr. PHILBIN. Mr. Speaker, Gov. James Michael Curley was a great invincible fighter for the ordinary man whose lot he worked so hard for years to improve.

He was a man of superb and extraordinary gifts, one of the most famous orators of our day, a highly gifted administrator, and an unsurpassed tenacious public advocate.

He had the courage of a lion and a warmth of human kindness and loyalty that endeared him to his friends and all those who knew him.

A beloved and valued colleague in the Congress, I had occasion to know and observe the warm personal qualities of Governor Curley and his great zeal for human betterment. The future will bring greater luster to his colorful personality and outstanding public career.

May he find rest and peace in his eternal home.

GENERAL LEAVE TO EXTEND REMARKS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to revise and extend their remarks in the RECORD on the life and character of the late James Michael Curley.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING BRETTON WOODS AGREEMENTS ACT

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4452) to amend the Bretton Woods Agreements Act.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R 4452, with Mr. MACHROWICZ in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill provides for an amendment to the Bretton Woods Agreements Act. I was a member of the conference at Bretton Woods in 1944. It was an inspiration to me to see the nations gathered together in the common undertaking for the advancement of their economic well-being and the redevelopment of the countries that had been torn by war. At that meeting 39 nations signed that agreement. Since then 29 other nations, 68 nations all together, have joined the Bretton Woods Agreements Act. Practically all of the free nations of the world are engaged in working out their problems through the instrumentality of this act.

Mr. Chairman, under that Act the International Monetary Fund was organized to stabilize international exchange and to facilitate the international trade of the world. The International Bank for Reconstruction and Development was formed. For 12 years these organizations have operated within the authorized capital fixed by the original agreement. They have made a shining success. They have lost no money by bad debts, and now, at a meeting at New Delhi, these nations have agreed that their quotas to the Fund and their subscription to the stock of the Bank should be increased. Our quota to the Fund has been increased by $1,375,000,000. One-fourth of that amount, it is provided, shall be paid in gold, $344 million, and that is all the immediate cash payment that is involved in the program provided for by this bill. The balance of the subscription to the Fund is provided in noninterest-bearing obligations of the U.S. Government. These obligations will only be used in case of an emergency, such as the condition that arose when the Suez Canal was closed, which cast a great burden on the Fund.

At the end of 1958 the Fund had $2.3 billion, but against that amount there are commitments of $900 million and there are withdrawal privileges of $1.1 billion. It is very improbable that those withdrawal privileges will be used, but in case of emergency this balance is entirely inadequate to permit the Fund to carry on its ordinary operations.

The resolution provides for an increase in our quota to the Fund and our subscription to the stock of the Bank. The resolution does not provide for any immediate cash outlay to the Bank. The subscription to the Bank is for shares of capital stock. We subscribe to 31,750 additional shares of the capital stock of the Bank, which is used as a guarantee for the obligations which the Bank issues and sells in the private markets of the world. The Bank, by reason of the manner in which it has been administered, has the confidence of the business interests of the world, but as the amount of the Bank's outstanding obligations approaches the amount of the guarantee fund, it becomes increasingly difficult to sell the Bank's obligations in the private market.

That is the proposition that has been brought to us for our decision. Without the passage of this bill these great institutions who are the symbol of success could not operate as we would like them to do. These organizations were formed under the leadership of America. They have been nurtured by our country and the leadership of these organizations makes America the leader of the finances of the world. It is inconceivable that anybody would want to defeat this bill, or to hamper it in any way. When we speak for the Fund we speak for the free nations of the world. To do anything that would bring any doubt about our course of conduct, that would cast the slightest scintilla of doubt that we intend to carry out our obligations to the fullest extent, would weaken us with these nations.

We are in a critical time now, probably the most critical time the world has experienced. We want the good will of our allies. We must have it. Anything that will disturb them about our help and our faith in this matter will hurt us, I think, in our international relations. Let us not do anything that will allow our enemies to make it a vehicle of propaganda.

I hope you will pass this bill without amendment, and I feel sure you will.

Who recommends the bill? Sixty-eight nations of the world recommend the bill and are interested in it. The National Advisory Council recommends the bill. The President of the United States pleads for the bill. The Committee on Banking and Currency reported the bill without a dissenting vote.

When this Fund was founded the imports of all the free nations of the world were $27 billion, but today their imports are $100 billion. This has been to some extent due to the assistance the Fund has given to international trade by stabilizing world currencies and reducing restrictions on international exchange.

Not only does the Bank render a great service by the loan of money, it gives technical assistance and advice to the nations it serves.

These organizations were founded on faith and courage and vision. As the prophet of old is quoted in the Good Book, where there is no vision the people perish.

I hope that no destructive amendments will be offered to this bill, and I hope if they are, little consideration will be given to them. We are playing with fire if we do not let this bill go through as is. We are playing with fire because our enemies are masters of propaganda and deceit and they can use it to our detriment.

I ask you to vote for the bill as is, without amendment. If you do that, I am sure you will be rendering a service to your people and your country that cannot be overestimated.

Mr. KILBURN. Mr. Chairman, this is a good bill. As the chairman has said, it helps in the world situation, but it also helps this country. It helps our industry and our employment.

Mr. Chairman, I now yield 10 minutes to the ranking member of the subcommittee that considered this bill, the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, today the House has an opportunity to vote on H.R. 4452 embodying authorization increasing the U.S. quota in the International Monetary Fund and its subscription to the International Bank for Reconstruction and Development. This will be done by amendment of the Bretton Woods Agreements Act of 1945.

It should be called to your attention that 68 countries have subscribed to the articles of agreement of the Bank and Fund and both institutions have served with remarkable success for more than 12 years. While these two institutions are included in the same act, they each have different fields of activity, of real importance and vital impact on the world economy.

The International Monetary Fund assists countries to maintain or achieve stable and convertible currencies, free of exchange restrictions.

The International Bank aided materially in the reconstruction that took place following World War II and now has an important place in financing economic development in the member countries through long-term loans.

Under the terms of the Bretton Woods Agreements Act, Congress must authorize increases in the U.S. quota to the Monetary Fund and in the subscription of capital to the International Bank.

Today's bill embodies the first approach to member governments for additional resources since the institutions first began their operation in 1946.

Secretary of the Treasury Robert B. Anderson, testifying before the House Banking and Currency Committee, stated:

> It is our view that these recommended increases together with the proposed increases in the subscription and quotas of the other members should be sufficient to permit these bodies to continue their useful work in the foreseeable future.
>
> The increase in our subscription will involve a present cash outlay by the United States that is large but is a relatively small proportion of the total new subscriptions. No budgetary provision is needed in the case of the Bank, while in the case of the Fund the entire additional quota of $1.375 billion is included in the budget, only the gold payment of $344 million really represents an immediate cash expenditure.

It should be pointed out after the capital contribution, these institutions have been self-supporting. Expenses are defrayed out of income earned.

In the operation of the International Bank, many lose sight of the fact that it constitutes a great force for peaceful progress amongst the free nations. At a time when the world is aroused by conflicts in many areas and as the West Berlin deadline, arbitrarily set up by the Communists approaches, it is important that not only our defense establishment be in order and ready to move at the first sign of aggressive action, but it is extremely important that our economic weapons be ready and able to meet the pressures and stresses created in a world at crisis stage.

I would like to quote further a few statements made by Secretary Anderson that should be borne in mind by the House in voting on this legislation. The International Monetary Fund does not finance long-run development programs nor is it intended to provide long-range economic assistance to improve the standards of living of its member countries. In simple terms, the Fund is a short-term credit institution which assists the monetary authorities of the member countries to carry out sound financial policies.

The resolution proposed by the Fund for action by the governments can be summarized very briefly. It is proposed to increase the quotas of most countries by 50 percent. This would increase the United States quota by $1.375 billion from $2.75 billion to $4.125 billion. Very small quotas will be adjusted to bring them up to a reasonable level. The quotas of three countries—Canada, Germany, and Japan—will be increased substantially more than 50 percent. The proposed increase in the quota of the United States does not mean that the Fund will spend these new resources at once. The United States will pay one-quarter of its quota increase in gold, the balance will be held in non-interest-bearing demand notes which will not represent the cost to the United States until such time as the Fund cashes them.

I say again it is important to remember there have been a number of years in which the Fund returned more dollars to the U.S. Treasury than it took out for new drawings.

With respect to the International Bank, the reconstruction phase of the Bank's activities is over. It succeeded very importantly in the reconstruction of France, Denmark, Luxembourg, and the Netherlands.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I will yield to the gentleman from Minnesota.

Mr. WIER. Would the gentleman kindly point out the difference between the moneys in this Export-Import Bank and the funds that were in controversy here yesterday in connection with the development loan program? Could India, for example, participate in both?

Mr. WIDNALL. It is my understanding that a country could participate in both activities.

Mr. WIER. What is the difference? Why would not one bill in this field be sufficient to serve all purposes?

Mr. WIDNALL. This is an operation controlled entirely by the 68 member countries under the Bretton Woods Agreement. The Development Loan Fund, as I understand its operation, has an entirely different composition.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. Is not the real difference between the two that operations under this program conform to some extent with banking policy, whereas the Development Loan Fund is a soft money operation, and loans made under it are never going to be collected? This operation would be in trouble if we pulled the pin on this foreign aid grant program, the Development Loan Fund operations and all the rest of the giveaway programs. If Congress ever regains its sanity and stops that business, then there will be real serious problems in this setup.

Mr. WIDNALL. That is certainly a matter of controversy in the Congress. I, frankly, believe there is soundness in the operation of these two funds, that they have added much to the development of the world in a peaceful and progressive manner.

I want now to continue. There are a few more remarks by Secretary Anderson:

> Each loan follows a period of intense study, engineering examination, and negotiation. The loans which the Bank has made have been sound and the Bank has had no defaults. Some short-term issues have been sold entirely outside of the United States to foreign investors, largely central banks, which have used the Bank's funds in the form of dollar investment of their monetary reserves. Moreover, foreign private investors have purchased the Bank's bonds for ordinary investment purposes, in the same way as have American investors. The Bank estimates that approximately 60 percent of its bond financing has come from American investors and the balance from abroad.

Investors have recognized that the Bank has operated prudently and that its loans have been sound. This has done much to establish the high quality of the Bank's bonds. However, the ability of the Bank to sell its bonds to institutional and individual investors depends in large part on the fact that back of the Bank's own assets is the contingent liability of the member governments to meet the obligations of the Bank through possible calls on the uncalled 80 percent portion of the capital. In other words, this 80 percent portion of the Bank's capital constitutes a guarantee undertaken jointly and severally by all the member governments to supply dollars or other currencies needed to meet the Bank's obligations in the unlikely event that the Bank falls short.

It is most important that this legislation be expeditiously passed by the Congress and that the U.S. contribution be made at once to instill full confidence in the other free nations.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. HALEY. Of this amount, $1,375 million, by which we are going to increase the Fund, how much is payable immediately in gold?

Mr. WIDNALL. $344 million.

Mr. HALEY. That has the effect of depleting the gold supply of this country. Can the gentleman tell me how much of the gold we now hold in the approximate amount of $22 billion has gone out through this method of the United States having to pay foreign governments in gold, if demanded?

Mr. WIDNALL. I do not have that figure. Perhaps the committee can furnish that figure.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KILBURN. Mr. Chairman, I yield the gentleman 5 additional minutes. I think it is twice that—$688 million.

Mr. WIDNALL. Twice the amount carried in this authorization.

Mr. KILBURN. This is a 50 percent increase. What we have put in before is $688 million.

Mr. HALEY. What I am inquiring about is how much of the gold reserves of this Nation, approximately $22 billion, is pledged to other governments that can come in and demand payment in gold.

Mr. KILBURN. I do not think there is any to other governments. This goes into the Fund under the pending bill.

Mr. WIDNALL. The contribution in gold after this bill is passed, after this pledge is made, would be $688 million, plus $344 million, or a little over $1 billion.

Mr. HALEY. That, however, is just from the funds that have gone out through this method. The point I am trying to clarify in my own thinking is this: Out of the $22 billion of gold held by the Federal Government, how much is pledged to other nations? When they accumulate dollars, how much of that gold is pledged to other nations?

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from North Carolina.

Mr. KITCHIN. I have been informed, and this may help answer the question of the gentleman from Florida, that there is approximately 70 percent of the gold reserve of the United States now committed to foreign deposits, foreign countries, foreign governments for industry, leaving 30 percent of our total gold reserve committed to our own use. If I am accurate, that will give you a basis on which to predicate an answer to the question of the gentleman from Florida. His question is this: The additional $344 million in gold to be paid into this fund—that is the question—depletes that 30 percent of reserves retained for our own purposes.

Mr. WIDNALL. I do not have the complete figures the gentleman has given me. I have not seen those figures before. But these funds of the Internattional Monetary Fund are available to all of the member countries, which includes the United States. We have the right of participation in that fund the same way the other member countries have.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. I think I may have the answer to the gentleman's question. None of this money is pledged to any foreign country, none is committed. In my judgment, those are not quite the right terms to use. It is true other countries have a claim on our gold due to international relations and trade, but that does not have anything to do with this particular matter. There presently is in the Treasury $20,442 million of gold. If we pay out this $344 million we will still have $20 billion, so percentagewise it will reduce it not much.

Mr. WIDNALL. When you refer to claims of foreign governments on our gold, may I say that we have the same claim on any gold that they furnish to the fund.

Mr. HALEY. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield.

Mr. HALEY. That may be true, but of the reserve funds or the reserve gold that we have now in this country, what I am trying to determine is how much is pledged. Now, remember that a government acquiring dollars can demand payment in gold and I, as an individual, cannot. What I am trying to determine is how much of the gold reserve that we have now is pledged or could be called on by other governments and make the United States pay in gold. Does the gentleman have that figure?

Mr. WIDNALL. I do not have that figure, although someone on the committee may have the information.

Mr. HALEY. It is my understanding that we have now in Fort Knox $22 billion in gold, and that foreign governments, by reason of building up dollar reserves, now could call on the Federal Government for approximately $11 billion of that gold reserve; is that correct?

Mr. WIDNALL. I do not know, and I have not seen that figure stated.

Mr. HALEY. The great Committee on Banking and Currency of this House ought to be able to furnish the House with that information, because I think it is important.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. Percentagewise, $344 million is relatively small as compared to the many, many billons of reserve; that is, percentagewise, and that is what you were asking particularly about. It will not affect the percentage much. True, we would rather not have anything paid out. This money is invested in the International Fund, and the Bank has always paid its bills and all of its interest. Our contingent liability is "just in case."

Mr. WIDNALL. The operation of the Fund has had a great stabilizing influence on the economies of the free world, throughout all the member nations.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I would like to ask the gentleman this question. Now, this is with respect to the International Bank. As I understand, we have subscribed and are obligated to pay in some $3,125 million. We have subscribed to the capital stock in the amount of $3,125 million. Now, the effect of this bill is to double the amount of capital stock which we shall subscribe for and which we would likely be obligated to pay in the event that it was necessary because of default of the Bank's obligations, is that not true?

Mr. WIDNALL. That is right.

Mr. BENNETT of Michigan. Now, the total capital of the Bank is $10 billion, as I understand it. The total loans that the Bank has made up to now amount to about three billion something. Now, my question is this: Why is it necessary to subscribe and obligate this country to double up its capital stock subscription at a time when the capital stock of the Bank is at least three times over and above what its present loan obligations are?

Mr. WIDNALL. Because the projects in connection with the operation of the Bank are such that it is felt that it is needed, by way of additional guarantees, in order to provide full confidence, full faith and credit for the sale of the bonds in the future by the International Bank.

Mr. BENNETT of Michigan. Is it true that in actual practice the only capital that means anything, the only capital subscription that means anything, is the capital that we ourselves have subscribed to, and the loans are about equal to the capital we have obligated ourselves to subscribe to at the present time?

Mr. WIDNALL. No; I do not believe that is true. I believe there are very responsible governments that have met their quotas and have met their obligations in connection with the operation of the Bank and they are working together in a very fine manner.

Mr. BENNETT of Michigan. I just want to get this clear. It is the amount of capital we have subscribed to that this country would be liable for in the event of default on these obligations by other countries?

Mr. WIDNALL. That is right.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of H.R. 4452. This bill is needed to maintain effective operation of two institutions which have a 13-year record of solid accomplishment in promoting world monetary stability and assisting world economic development. Both of these objectives are important elements in building strong and prosperous economies in the nations of the free world.

These objectives are important, too, to our own economy, and particularly to our farmers and laborers who produce for export. The International Monetary Fund and the International Bank for Reconstruction and Development help substantially in building world markets for American exports.

If it were not for the International Monetary Fund, trade among nations would be very much more difficult than it is today. For many years, most of the countries of the world have faced repeated dollar shortages, and have had to ration their dollars through various restrictions on trade and payments. One of the principal goals of the Fund is to do away with these rationing systems, so that all of the currencies of the member countries may be converted freely. While we still have a long way to go in reaching that goal, the member countries have been able to relax their restrictions considerably, knowing that the Fund stands ready to help them in time of trouble, as it helped Britain during the Suez crisis. If the Fund had not been available, these countries would have been forced to impose further restrictions that would have interfered seriously with world trade and would have sharply cut down the market for American exports.

The Bank, too, builds markets for our products. One example of the immediate effect in stimulating exports from this country was given by the Secretary of the Treasury in answer to questioning during our hearings. He informed us that through June 30, 1958, $1,342,700,000 of the loan funds disbursed by the Bank had been used by the borrowers for imports from the United States.

Both the Fund and the Bank are operated on a sound, businesslike basis. They pay their expenses out of the income received in their operations. No loan from the Bank is in default, and no member country is in arrears on repayments of its drawings from the Fund. Income for each institution has been sufficient to permit the Bank and the Fund to build up sizable reserves against losses.

Our committee heard witnesses representing the administration, business groups, farming, labor, and banking. These witnesses were unanimous in supporting this legislation, and I urge the House to act favorably on it.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BARR].

Mr. BARR. Mr. Chairman, it can often be a very confusing thing for a freshman Member of this Congress to determine the financial responsibility of this Nation to the rest of the world. Frankly, I have been very confused in the last few days as to what our responsibility is. I often get the uneasy feeling that maybe we are kidding ourselves that this Nation by itself can defend the whole free world or can rebuild the whole free world. I do know, however, that with the cooperation of 68 nations all over the world we can get this job done.

To me the concept of working alone in this field of financial responsibility to the world today is out of date, it is outmoded. We have a clear responsibility to the world. We do not intend to back off from it. But in this instance, Mr. Chairman, we are picking up our share, and every little country in this Fund is throwing in their money and, incidentally, their gold. Take a little country like Afghanistan. Their contribution is $10 million to this Fund, and they are going to increase it. And they are paying $2½ million in their own gold.

This is the kind of cooperation, this is the sort of movement in world responsibility that I can understand. It is the sort of thing I can tell the people in my district and which I think they will understand. So it is a real thrill and a real privilege for me to be able to support this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman.

Mr. GROSS. The gentleman hopes that they will take care of their increased quotas, does he not?

Mr. BARR. Yes, sir.

Mr. GROSS. The gentleman hopes they will.

Mr. BARR. May I say this, that this agreement goes in effect when 75 percent of the nations have agreed to the increase, when they have paid in their funds and the Fund is ready to go.

Mr. GROSS. If the gentleman will yield further, why not 100 percent of the nations, the 68 member nations?

Mr. BARR. May I suggest this to the gentleman? I certainly do not have his experience, I know that, but I suggest there is a historical precedent. The United States came into being when 9 States out of the 13 ratified the Constitution. When we have an amendment to the Constitution it goes into effect when three-fourths of our States ratify that amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. BARR. I yield.

Mr. GROSS. And I doubt that that involved the $1,375 million as contained in this bill.

Mr. BARR. That is very possible, sir.

Mr. KILBURN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, it is a wonderfully fine experience to be here, hear and learn so much about the people of the free world. Sometimes it causes a fellow to wonder why we do not have more freedom here at home.

By special messenger, I received a notice on Friday, March 20, at 4:10 p.m., that there would be a hearing this morning to consider the bills to amend the Unemployment Act of 1946, but no list of witnesses accompanied the notice, and, subsequently, I had been given to understand that only Mr. Galbraith would be called as a witness today.

The incident that causes this outburst, or whatever you want to call it, is the fact that, after we had been given to understand there would not be any more subcommittee hearings before we started the Easter vacation, except to hear one witness this morning, I yesterday afternoon received the following notice:

EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES—HEARINGS ON BILLS TO AMEND THE EMPLOYMENT ACT OF 1946; HEARING ROOM 1501–B, NEW HOUSE OFFICE BUILDING, 10 A.M.

WEDNESDAY, MARCH 25, 1959

Congressman HENRY S. REUSS, of Wisconsin.

Senator JOSEPH S. CLARK, JR., of Pennsylvania.

Congressman BYRON L. JOHNSON, of Colorado.

Prof. John Kenneth Galbraith, Harvard University.

Dr. Gardiner C. Means, consulting economist.

THURSDAY, MARCH 26, 1959

Congressman CHARLES E. BENNETT, of Florida.

Congressman WALTER H. JUDD, of Minnesota.

Mr. Leon Keyserling, former Chairman, Council of Economic Advisers.

Mr. Stanley Ruttenberg, director, Department of Research, AFL–CIO.

This notice caught the minority members by surprise, for Mr. BARRY, a member of the subcommittee—as the chairman was advised—is in California; Mr. BROWN, the other Republican member, had arranged his schedule to leave Washington with the foregoing information in mind; and I, member ex officio of the subcommittee but interested in the proposed amendments, and as one who was on the committee when the bill was written in 1946, could not, because of previously scheduled hearings, attend.

It happens that the Subcommittee of the Committee on Education and Labor, which is trying to write labor legislation and of which I am a member, had scheduled a hearing for this morning. So, if there are not as many Members here on the floor as there should be, that is one explanation. We are trying to get around, first to one committee hearing and then another, called by our Democratic friends, so some just cannot be here when we should be here.

This morning, when we asked for the names of individuals who might be interested in the proposed legislation and who had been notified, we were not, as I recall, advised that anyone in particular had been notified, but that a general notice had gone out. It is evident that some who are interested in the adoption of this type of legislation were notified but I failed to receive any information that anyone who might logically be opposed to it was given any notice.

I am not asking that we give any money to anybody in the United States or elsewhere. I am just asking the very fine Democratic leadership to have a little consideration for us, give us a chance, give some of the Republicans a chance to sit in on some of these committee hearings.

Why all the rush? Five of the witnesses are Congressmen. Four others are experts, so called, professionals who have appeared more than once in advocacy of spending programs.

Time and again last year, I dropped my own work, hiked upstairs to the committee room, just to create a quorum, but,

unless we can be shown a little consideration, I am all through with running to hearings in which I am not interested just so one can be held.

As a Republican, I have a certain interest in reciprocity which, in my book, does not mean dancing all the time to one tune.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "such amounts as may be necessary."

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 2, after line 12, insert a new section which shall provide as follows:

"SEC. 3. The amendment made by this Act with respect to section 16(a) shall not become effective until each member of the Fund has notified the Board of Governors of the Fund, in writing, that it consents to and has complied with the increase in its quota, notwithstanding the provisions of paragraph (ii) as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959."

Mr. GROSS. Mr. Chairman, the distinguished gentleman from Kentucky [Mr. SPENCE], in addressing the House a few moments ago, said that this country is the leader of finance throughout the world. Maybe so. We know this country is the leader of the world in total national debt.

The gentleman from Kentucky also implied that unless this bill was passed, and in the sacred form in which the committee brought it to the House, we might hurt the sensitivities of some of our so-called foreign friends. It is about time we gave some consideration to the sensitivities of the taxpayers of the United States and the people who are going to have to pay this Federal debt of ours, if it is ever paid.

Cut it as thin as you want to, this bill provides for an increase of $1,375 million in the Federal debt. I said $1,375 million would be added to the Federal debt of this country.

Yesterday this House passed a bill—I did not vote for it—to provide $100 million for uncollectible loans to foreign countries, so that in two consecutive days you have loaded onto the debt of this country approximately a billion and a half dollars.

What does my amendment do? It simply provides that the increased quotas to this International Fund shall be subscribed by all of the other 67 countries before this country puts up any money. That is all that it does. Is there anything unfair about that? Who benefits from this Fund? We do not borrow from it although we are borrowing all kinds of money these days and paying increasingly high rates of interest. This Fund, I am told today, is for the benefit of the 67 other countries. Oh, sure, we can borrow from it. I do not know why we do not do so if we can get the money cheaper. Let me repeat that my amendment simply says to these other countries, "You come in when you increase your quotas, and if, and when, you do so, we go on from there." Is there anything wrong with that? The contention has been made that this $1,375 million ought to be rammed through the House and through the Congress before the end of this fiscal year so that it will not appear in the budget next year—the same subterfuge that was used yesterday to increase the foreign giveaway program—"Get it in this year's spending so it will not rupture next year's budget." I am not interested in that. If these countries come in before July 1 with their increased quotas that will be fine and the United States contribution will be in this year's budget. If they decline to come in before July 1, then it goes into next year's budget—and that is exactly where it ought to go under the circumstances.

Mr. Chairman, I urge the adoption of the amendment. It is fair. It is time that all these foreign countries took the lead in demonstrating their good faith and willingness to do something for themselves. Let them just once take the initiative in this business of putting up the money.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would make it possible for any member of the Bank and the Fund to sabotage the whole program. Under this amendment we could not agree to put our quota into the Fund unless and until all of the rest of the members of the Fund and the Bank have agreed to put in their quota. We have assumed the leadership in the Fund and in the world, and it is our proud position. This could be a very abrupt way of striking down American leadership and sabotaging both of these most useful institutions that have rendered such wonderful service to their countries and to our country as well.

Mr. Chairman, I hope the amendment will be voted down.

Mr. KILBURN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with our chairman. This is a very bad amendment, for the reason that one little country, perhaps, if it does not come in, could ruin the whole deal. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 22, noes 72.

So the amendment was rejected.

Mr. HAYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS: On page 2, after line 12, insert the following new section:

"SEC. 3. The amendments made by this act shall become effective on July 1, 1959."

Mr. HAYS. Mr. Chairman, this amendment is the same amendment which was adopted in the other body and is part of the bill as passed by the other body. What it does, very simply, is to make this money come out of the budget for fiscal 1960.

If the bill is passed in its present form and the conferees can get the other body to agree to the language as it now stands, then the money would come out of this year's budget and would further unbalance that budget which is already unbalanced, as near as we can find out, by some $12 or $13 billion.

In other words, this would be part of the conglomeration that is being put in on the theory that by the time of the election in 1960 nobody will remember how badly this budget was unbalanced, or who unbalanced it. The committee is going to argue that this would be a 3-month delay and the Fund cannot wait. I will anticipate that and tell you that the Fund can wait because it is only a 3-month wait. If we go ahead and pass the bill with this amendment, then the other countries will understand that we are going to be participating and they can go ahead and be getting their share up, so it will not delay them on the ground that they do not know what the United States is going to do.

This will be an act of fiscal responsibility. This will be an act which will prevent someone from pointing the finger at you new Members especially and saying you are budget busters, because this puts the money in the 1959 budget when everybody knows it should be in the 1960 budget, so it can be found out whose request it was that unbalanced the budget.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. VANIK. Mr. Chairman, although I am in support of this legislation, I want to take this opportunity to associate myself with the remarks of my distinguished colleague from Ohio [Mr. HAYS]. I am also in support of his amendment to delay the spending authority until after July 1. He is 100 percent right.

There is no apparent urgency which requires the spending authority before July 1. Congress will be in session and can provide funds at any time if any emergency need should arise in the intervening time. As a matter of fact there is practically no possibility that the concurring authority of other na-

tions will be available by July 1, 1959, or even January 1, 1960. Three quarters of the 68 participating member countries must provide their approval. Up to the present time only 2 or 3 of the necessary 51 member nations have made any progress with necessary approval.

The proposed amendment indicates full support of the Bretton Woods agreement and merely assesses the expenditure to the appropriate fiscal year. Although the administration is seeking approval of the authorization to spend in the 1959 fiscal year, it does not contemplate or expect to spend a single penny of these funds until the 1960 fiscal year—and this expenditure belongs properly in the 1960 budget.

In 1960 politics are more likely to be balanced than the budget. The President is seeking a political balance of the 1960 campaign year budget by overspending in the hopelessly overspent 1959 budget. On Tuesday, Congress cut out over a quarter billion dollars from his deficiency appropriation bill. The President now seeks to shift $1,375 million from proposed 1960 spending to the 1959 budget plus an additional contingent liability for $2.6 billion or a total of $4 billion.

Shifting these 1960 expenditures to the wrecked 1959 budget is another example of Eisenhower phony thrift and budget-juggling.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment, not because the majority on the subcommittee or the full committee believes this to be an issue above politics, but because it is not the kind of political issue that makes much sense.

As my colleague has pointed out, there can be no doubt that this is a political issue. The important thing to remember, Mr. Chairman, is that this additional quota in the Monetary Fund is political for two reasons, not just one: First, it is political because the item was contained in the President's budget message, and anything in the President's budget message is bound to be political.

I say this is particularly true when an item calling for an appropriation of $1,375 million is tucked into an already unbalanced 1959 budget in order to preserve a tenuous balance for fiscal 1960.

But the issue also has political implications, it seems to me, that are deeper. The continued strength and preservation of the United States is a common, nonpolitical goal to which all of us on both sides of the aisle are dedicated. It is the method by which we pursue this goal, this purpose, that is bound to differ, and hence bound to assume a political connotation.

Every member of the Committee on Banking and Currency has been, from the start, of one mind that the Monetary Fund has performed an essential economic function with truly remarkable success over a period of 12 years. Every member of the committee is likewise of one mind that continued operation of the Fund is essential and that the quota increase called for in the bill before us is needed to continue to strengthen the currencies and economies of the various countries participating in the Bretton Woods Agreements Act.

Now, Mr. Chairman, agreement on the substance of the measure before us and on its essential character as a weapon in the cold war in which we are engaged must surely outweigh the politics which concerns itself with trying to hide an expenditure in an already unbalanced budget or which tries to embarrass the President by making him put it in a later budget which—also for political purposes—he has claimed would be balanced.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Not at this point.

Mr. HAYS. At any point?

Mr. ASHLEY. Yes.

Mr. HAYS. Let me know when you come to that point.

Mr. ASHLEY. I say, Mr. Chairman, to downgrade the essential substance of the measure before us to the level of purely partisan politics that has been introduced would be a great mistake.

My colleague from Ohio has said that we can wait for this money to be made ready; that is, it can be made ready after the beginning of the next fiscal year. That may be true, but I think the much more important point is that the United States is trying to set an example for the rest of the world and to demonstrate its willingness to take leadership without becoming mired in partisan politics a year and a half before an election.

Now I yield to the gentleman from Ohio.

Mr. HAYS. Right there, the fact that we pass a bill demonstrates our willingness, does it not?

Mr. ASHLEY. It depends on what the bill contains.

Mr. HAYS. If we pass a bill saying we are going to do it on July 1, that demonstrates our willingness, does it not?

Mr. ASHLEY. It seems to me we are derogating from our purpose.

Mr. HAYS. The gentleman says this is an attempt to embarrass the President. Hiding this in the present year's budget is an attempt of who to embarrass whom?

Mr. ASHLEY. I may say to the Committee, in reply to the gentleman from Ohio, that any time we have an unbalanced budget to the tune of some $13 billion, it is the taxpayers of America who are embarrassed and the future generations who will have to pay the bill. That is the answer to the question. I do not think it makes any difference whether this expenditure goes into the fiscal 1959 or fiscal 1960 budget. What I think is more important is that we show the free countries of the world, with whom we are allied in purpose to counter Soviet communism, that we are ready to assume leadership on an unselfish basis.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. HAYS) Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. HAYS. What the gentleman is saying, in effect, is that the budget is already out of balance $13 billion this year, so another $1,375 million does not really mean much, because it is going to be about $15 billion anyway.

Mr. ASHLEY. On the contrary, I will have to correct the gentleman.

Mr. HAYS. You correct me if I am wrong. That is the way I read it.

Mr. ASHLEY. No. We questioned the Secretary of the Treasury on that point. With the inclusion of this $1,375 million the anticipated deficit is $13.1 billion or $13,100,000,000.

Mr. HAYS. That is the anticipated deficit, but I will lay the gentleman a little wager it will be bigger than that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. I was delighted to hear the gentleman say that it is going to be the taxpayers of today and tomorrow who are going to be embarrassed with this kind of legislation.

Mr. ASHLEY. Yes.

Mr. GROSS. I am delighted to have the gentleman emphasize that.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I am pleased that the gentleman made the statement he did about partisan politics in this matter. The gentleman will agree with me, I am sure, that if there is any embarrassment on account of an unbalanced budget, if there is any political embarrassment, it applies not only to the party in control of the administration but to the party in control of the Congress.

Mr. ASHLEY. I agree with the gentleman, and I point out to the people on my side of the aisle it is we who may be especially embarrassed, because we would have to answer the charge that it was the Democrats who threw the 1960 budget out of kilter. I do not think we should be put in that kind of a position.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. While I am supporting the bill reported out of the committee, purely to go to conference in connection with the differences between the House and the Senate, I think the record should clearly show that there is no real necessity for this so far as this fiscal year is concerned, because Mr. McCloy, in appearing before the Senate committee, in response to questions on this subject, said: "I do not anticipate any emergency within the next 3 months that I can say makes it impelling that you do so." Now, while I think the committee used judgment under the circumstances, I think the record should clearly show that this matter is for the next fiscal year and that the administration is bringing it forward in view of the large deficit, because they figure that it is more convenient this year than next year.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I recognize that the provocation suffered by my friend the gentleman from Ohio [Mr. HAYS] and others, has been great, and that he very understandably does not relish the barrage of charges made recently about the people on this side being spenders, budget busters, and so on. I, however, oppose his amendment, however well intentioned it may be, because I believe it will unnecessarily hobble the administration in the carrying out of our foreign policy.

I call the attention of the House to the fact that in the committee report on this bill we of the committee made it clear that we did not want the Secretary of the Treasury to pay this money out improvidently. We said on page 5:

> The committee recognizes the desirability of prompt action in this matter, but at the same time the committee notes that the resoluion of the Board of Governors invites the members to comply as soon as possible with the procedure for notice and payment of these increases in the Fund, but no country is bound to make this payment until 30 days after the Board's resolution takes effect, which may not occur until after June 30.

Then we went on to say that the Secretary of the Treasury, in making his timing, should take into account such factors as the current debt management difficulties and other issues raised by adding to the national debt; and should, in effect, not govern himself by any supposed necessity to get the amount into this year's budget.

Personally, I do not think that the 1960 budget is a serious exercise by the administration in responsible budgeting. If the sun shines and we have agricultural abundance, the budget is going to be out of balance. If the Congress does not vote an additional gas tax bill for the fellow who wants to take his family out for a Sunday drive, the budget is going to be out of balance. If the Congress decides to provide adequate funds for health and homes and education, the budget is going to be out of balance.

But, be that as it may, I hope that the people on this side of the aisle, on the Democratic side of the aisle, will follow what has always been the policy of the Democratic Party—to do nothing ever which might in any way make difficult the administration of our country's foreign policy. And, if in the face of the aggravation and provocation that we receive from the other side, it makes us have to behave like Mordecai at the King's gate, so be it.

Mr. Chairman, I hope the amendment will not pass.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I fully support the views expressed by my colleague, the gentleman from Ohio [Mr. ASHLEY], and my colleague from Wisconsin [Mr. REUSS]. In case anyone might think that this might be a Machiavellian approach by the administration to this year's budget, it should be called to the attention of the House that the proposal for the authorization contained in this bill was first made in August of 1958.

Then in the fall of 1958 the member nations met in New Delhi, India, and decided upon the program and the quotas that should be met by the 68 member nations. I feel that we would do our country a great disservice if we did not meet our responsibilities promptly.

The proposed amendment would delay the subscription payments until all member nations have met their quotas on July 1. The purpose of the amendment is to throw the expenditure in fiscal 1960 budget. That is completely irresponsible action. This comes at a time when the Western World is facing a potential Berlin crisis within the next 60 days. I think it would be most unfortunate if the House would throw this roadblock by changing the effective date of the legislation. This bill would be one of the most effective tools of the Western World assuring against international financial repercussions that might develop out of the Berlin situation. One of the greatest benefits which flows from the International Monetary Fund is the intangible factor of confidence which the institution has instilled in international finance. It is beyond me to understand how a responsible Congress could shortsightedly and deliberately cripple this intangible factor of confidence which is so important in operations of the International Monetary Fund.

The responsibility for not having the full resources of the Fund available in a time of need and crisis will rest squarely on the shoulders of any who would support such potentially dangerous restrictive action.

Mr. Chairman, I urge the House to vote down this amendment.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to this amendment. To withhold payments authorized by the bill to a later date will detract from our standing as the financial leader of the free nations of the world. Such action could not help but confuse our friends of the free nations who are members of these two great international financial institutions for most of them do not understand our legislative procedures.

What useful purpose would be served to defer these payments—I know of none. Are we justified in taking this action in light of world conditions? Take the Berlin crisis, we all hope that it may be resolved without serious complications but we cannot say at this time that this situation will not produce serious financial strains throughout the world. One thing we do know—the Communist leaders are mighty good at stirring up trouble, and they would be happy to have something like this for propaganda purposes.

I believe that the increased U.S. subscription to the Fund and Bank must be made available at once. We are not in this alone for 68 nations of the free world are members of these 2 institutions. Our actions will greatly affect the speed of the other nations to approve these increases.

Every witness appearing before the Banking and Currency Committee agreed with the provisions as written in the bill and as reported by the committee. The names of these expert witnesses are Hon. Robert B. Anderson, Secretary of the Treasury; Hon. T. Graydon Upton, Assistant Secretary of the Treasury; Mr. Frank Southard, Jr., U.S. Executive Director of the International Monetary Fund; Hon. C. Douglas Dillon, Under Secretary of State;

Mr. Eugene S. Gregg, Vice Chairman, U.S. Council, International Chamber of Commerce; Mr. Herbert H. Harris II, Assistant Legislative Director, American Farm Bureau Federation; Hon. John J. McCloy, chairman of the board, the Chase Manhattan Bank, representing the American Bankers Association; Mr. Stanley H. Ruttenberg, representing AFL–CIO; Mr. W. D. Kerr, president, Investment Bankers Association of America; Mr. William S. Swingle, president, National Foreign Trade Council;

Mr. Charles P. Taft, general council, Committee for a National Trade Policy; and the U.S. Chamber of Commerce.

I again say I am opposed to this amendment and urge you to vote it down.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier this afternoon I asked a question as to the salaries paid the top officials of this Bank and Fund. No one seemed to know the answer. In the intervening time I have been reliably informed that the two top officials receive, one, $30,000 a year, and the other $20,000 a year, and that both salaries are tax-exempt, in that both pay Federal taxes, but they are reimbursed from funds of the bank and international funds. That is in keeping, apparently, with the way the United Nations is operated—tax-free salaries.

Now with respect to the pending amendment, I have read the report of this committee backward and forward, and I find nothing to indicate that there is anything urgent about the effective date of this bill. If someone can cite me the language in the report which shows any real degree of urgency, I should be glad to hear it.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if there is some feeling among the members of the Democratic Party that they will make any capital by the adoption of this amendment, I think they are very wrong. I have a deep interest in the Democratic Party. I have been a member of it probably as long as anybody in the House, and I would like to see it succeed always. But I hope we will not resort to methods such as this to succeed.

It is a very different matter for the Secretary of the Treasury to delay the payment of this money than for the Congress of the United States to direct him not to pay it for 3 months. Those 3 months may be a critical period in the world's history. During those 3 months we may want all the friends we have everywhere in the world. We do not know what the effect of the adoption of this amendment will be, but I am confident it will not be good. It is an interference in our international relations; it is merely an attempt to make some political capital.

The amendment is not justified under the circumstances. The budget is the President's budget. What he puts into it is his responsibility and not that of the Congress. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 36, noes 86.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MACHROWICZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4452) to amend the Bretton Woods Agreements Act, pursuant to House Resolution 217, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HAYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-nine Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 315, nays 57, not voting 62, as follows:

[Roll No. 24]

YEAS—315

Adair	Broomfield	Daddario
Addonizio	Brown, Ga.	Dague
Albert	Brown, Mo.	Daniels
Anderson, Mont.	Brown, Ohio	Dawson
Arends	Budge	Delaney
Ashley	Burdick	Dent
Auchincloss	Burke, Ky.	Denton
Avery	Burke, Mass.	Derounian
Ayres	Burleson	Derwinski
Baker	Bush	Diggs
Baldwin	Byrne, Pa.	Dixon
Barr	Byrnes, Wis.	Dollinger
Barrett	Cahill	Donohue
Bass, N.H.	Canfield	Dorn, N.Y.
Bates	Cannon	Downing
Baumhart	Carter	Doyle
Becker	Casey	Dulski
Beckworth	Chamberlain	Durham
Belcher	Chenoweth	Dwyer
Bentley	Chiperfield	Edmondson
Betts	Church	Elliott
Blatnik	Clark	Everett
Boggs	Coad	Fallon
Boland	Coffin	Farbstein
Bolling	Cohelan	Fascell
Bolton	Conte	Feighan
Bowles	Cook	Fenton
Boyle	Cooley	Fisher
Brademas	Corbett	Flynn
Breeding	Cramer	Fogarty
Brock	Cunningham	Foley
Brooks, La.	Curtin	Forand
Brooks, Tex.	Curtis, Mass.	Ford
	Curtis, Mo.	Fountain
Frazier	Libonati	Randall
Friedel	Lindsay	Ray
Fulton	Lipscomb	Reece, Tenn.
Gallagher	McCormack	Rees, Kans.
Garmatz	McCulloch	Reuss
Gary	McDowell	Rhodes, Ariz.
Gathings	McFall	Rhodes, Pa.
Gavin	McGinley	Riehlman
George	McGovern	Riley
Giaimo	McIntire	Rivers, Alaska
Glenn	McSween	Roberts
Granahan	Macdonald	Robison
Gray	Machrowicz	Rodino
Green, Oreg.	Mack, Ill.	Rogers, Colo.
Green, Pa.	Madden	Rogers, Fla.
Griffin	Magnuson	Rogers, Mass.
Griffiths	Mahon	Rooney
Gubser	Mailliard	Roosevelt
Hagen	Marshall	Roush
Halleck	May	Rutherford
Halpern	Meader	Santangelo
Hardy	Merrow	Saund
Hargis	Metcalf	Saylor
Harris	Meyer	Schenck
Harrison	Miller, Clement W.	Schwengel
Healey	Miller, George P.	Selden
Hechler	Miller, N.Y.	Sheppard
Hiestand	Milliken	Shipley
Hoeven	Mills	Sisk
Hogan	Minshall	Slack
Holifield	Moeller	Smith, Iowa
Holtzman	Monagan	Smith, Miss.
Horan	Montoya	Spence
Huddleston	Moore	Springer
Hull	Moorhead	Staggers
Ikard	Morgan	Stratton
Irwin	Morris, N. Mex.	Stubblefield
Jackson	Morris, Okla.	Sullivan
Jarman	Moss	Taber
Jennings	Moulder	Teague, Calif.
Jensen	Murphy	Teague, Tex.
Johnson, Calif.	Natcher	Teller
Johnson, Colo.	Nelsen	Thomas
Johnson, Md.	Nix	Thompson, La.
Johnson, Wis.	Norblad	Thompson, N.J.
Jonas	Norrell	Thompson, Tex.
Jones, Mo.	O'Brien, Ill.	Thomson, Wyo.
Judd	O'Brien, N.Y.	Thornberry
Karsten	O'Hara, Ill.	Toll
Karth	O'Hara, Mich.	Tollefson
Kasem	O'Neill	Trimble
Kastenmeier	Oliver	Udall
Kearns	Ostertag	Ullman
Kee	Passman	Vanik
Keith	Patman	Van Zandt
Kelly	Pelly	Wainwright
Keogh	Perkins	Wallhauser
Kilburn	Pfost	Walter
Kilday	Pirnie	Wampler
Kilgore	Poage	Watts
King, Calif.	Poff	Weaver
King, Utah	Powell	Westland
Kirwan	Preston	Wharton
Kluczynski	Price	Widnall
Kowalski	Prokop	Wier
Laird	Pucinski	Wilson
Lane	Quie	Wolf
Langen	Quigley	Wright
Lankford	Rabaut	Yates
Latta	Rains	Young
Lesinski		Younger
Levering		Zablocki

NAYS—57

Abbitt	Dorn, S.C.	Murray
Abernethy	Dowdy	O'Konski
Alexander	Forrester	Rogers, Tex.
Alford	Grant	Scherer
Alger	Gross	Scott
Andersen, Minn.	Haley	Sikes
Andrews	Hall	Siler
Ashmore	Harmon	Simpson, Ill.
Bennett, Fla.	Hays	Smith, Calif.
Bennett, Mich.	Hemphill	Smith, Kans.
Berry	Henderson	Smith, Va.
Blitch	Hoffman, Ill.	Tuck
Bosch	Hoffman, Mich.	Utt
Bray	Johansen	Van Pelt
Cederberg	Kitchin	Whitener
Collier	Knox	Whitten
Colmer	Lennon	Williams
Davis, Ga.	Mason	Winstead
Devine	Matthews	
	Michel	

NOT VOTING—62

Allen	Bow	Dingell
Anfuso	Boykin	Dooley
Aspinall	Brewster	Evins
Bailey	Broyhill	Fino
Barden	Buckley	Flood
Baring	Carnahan	Flynt
Barry	Celler	Frelinghuysen
Bass, Tenn.	Chelf	Hébert
Bonner	Davis, Tenn.	Herlong
Hess	Mitchell	St. George
Holland	Morrison	Shelley
Holt	Multer	Short
Hosmer	Mumma	Simpson, Pa.
Jones, Ala.	Osmers	Steed
Lafore	Philbin	Taylor
Landrum	Pilcher	Vinson
Loser	Pillion	Weis
McDonough	Polk	Willis
McMillan	Porter	Withrow
Mack, Wash.	Rivers, S.C.	Zelenko
Martin	Rostenkowski	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Martin.
Mr. Brewster with Mrs. Weis.
Mr. Anfuso with Mr. Broyhill.
Mr. Multer with Mr. Barry.
Mr. Buckley with Mr. Allen.
Mr. Bonner with Mr. Osmers.
Mr. Davis of Tennessee with Mr. Hess.
Mr. Bailey with Mr. Taylor.
Mr. Dingell with Mr. Simpson of Pennsylvania.
Mr. Baring with Mr. Lafore.
Mr. Loser with Mr. Hosmer.
Mr. Carnahan with Mr. Fino.
Mr. Zelenko with Mr. Frelinghuysen.
Mr. Jones of Alabama with Mr. Mack of Washington.
Mr. Celler with Mrs. St. George.
Mr. Boykin with Mr. Bow.
Mr. Aspinall with Mr. Pillion.
Mr. Herlong with Mr. Mumma.
Mr. Holland with Mr. Dooley.
Mr. Landrum with Mr. Short.
Mr. Porter with Mr. Withrow.
Mr. Morrison with Mr. McDonough.

Mr. MOULDER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speakers' table the bill (S. 1094) to amend the Bretton Woods Agreements Act, strike out all after the enacting clause, and substitute the provisions of the bill just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 1094 and insert the provisions of H.R. 4452 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

The bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4452) was laid on the table.

CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. GARY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 301) providing for printing copies of "Cannon's Procedure in the House of Representatives."

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the House one thousand five hundred copies of "Cannon's Procedure in the House of Representatives", by Clarence Cannon, to be printed under the supervision of the author and to be distributed to the Members by the Speaker.

SEC. 2. That, notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, "Cannon's Procedure in the House of Representatives" shall be subject to copyright by the author thereof.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT RESOLUTION

Mr. McCORMACK. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 110) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until April 7, 1959, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MOTIONS TO SUSPEND THE RULES, AND CALLING OF THE CONSENT AND PRIVATE CALENDARS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Wednesday, April 8, 1959, it shall be in order for the Speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1, rule XXVII, that it shall be in order to consider business under clause 4, rule XIII, the Consent Calendar rule, and that on the same date the Private Calendar may be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker, can the gentleman give us some indication of the legislation that is to be called up under suspension?

Mr. McCORMACK. There is no legislation in mind now, except that if during the recess something should arise where early action is necessary right after the recess is over, it can be brought up under suspension of the rules. Whatever it is, of course, it will be cleared by and through the minority leader.

Mr. GROSS. It would be of an emergency nature?

Mr. McCORMACK. It would have to be of an emergency nature; yes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, April 8, 1959, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DOCUMENTARY EVIDENCE IN POSSESSION OF THE HOUSE OF REPRESENTATIVES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 224) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Whereas by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession except by its permission: Therefore be it

Resolved, That when it appears by the order of any court of the United States or judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That during any recess or adjournment of the 86th Congress, when a subpena or other order for the production or disclosure of information is by the due process of any court of the United States served upon the Clerk of the House of Representatives, or any officer or employee of the House, directing appearance as a witness before the said court at any time and the production of certain and sundry papers in the possession and under the control of the House of Representatives, that the Clerk of the House, or any such officer or employee of the House, be authorized to appear before said court at the place and time named in any such subpena or order, but no papers or documents in the possession or under the control of the House of Representatives shall be produced in response thereto; and be it further

Resolved, That when any said court determines upon the materiality and the relevancy of the papers or documents called for in the subpena or other order, then said court, through any of its officers or agents shall have full permission to attend with all proper parties to the proceedings before said court and at a place under the orders and control of the House of Representatives and take copies of the said documents or papers and the Clerk of the House is authorized to supply certified copies of such documents that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by the said Clerk of the House be disturbed or removed from their place of file or custody under said Clerk; and be it further

Resolved, That a copy of these resolutions be transmitted by the Clerk of the House to any of said courts whenever such writs of subpena or other orders are issued and served as aforesaid.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the program, particularly as to whether we might expect some action today on the extension of the Temporary Unemployment Compensation Act; and then also what might be scheduled for tomorrow and after the recess.

Mr. McCORMACK. If the other body passes the extension of the Temporary Unemployment Compensation Act, it will have to be brought up either today or tomorrow. We hope to bring it up this afternoon, if it is acted upon in the other body. On the basis of information that I have, and of course I am not predicting the action of the other body, but on the basis of information I have, in all probability it will be a technical amendment over which there will not be much difficulty. Is that not the gentleman's recollection on that?

Mr. HALLECK. So I understand so far as the amendment is concerned, and it would seem to me in the interest of time which, of course, is important in the present situation, we probably could agree to the amendment of the other body and send the bill to the White House.

Mr. McCORMACK. There is a reasonable expectation that it may be acted upon today, and if it is messaged over in time, we will be able to dispose of it. If not, it would have to be acted upon tomorrow because this law will expire while we are in recess. I believe the law expires on April 1; is that not correct.

Mr. HALLECK. That is correct.

Mr. McCORMACK. So far as further legislative business is concerned, the next order of business is House Joint

Resolution 257 which relates to the meeting of the International Radio Consultative Committee.

So far as the week after next is concerned, there will be nothing on April 7. So far as I can see now, there will be no legislation on April 7 and the whole week after that. Without definitely committing myself, I cannot see any major legislation beyond April 7.

On Wednesday, of course, under the unanimous-consent request previously made, the Consent Calendar will be called and the Private Calendar will be called, and also any suspensions in line with the colloquy that the gentleman from Iowa [Mr. GROSS] and I had a few moments ago. I am not definitely saying there will be any suspensions and I do not want any Member to be under a misapprehension, I am simply saying that the leadership as of this moment does not see any, but it is a precautionary measure that the leadership thinks it is wise to invoke in the event that anything should develop. Of course, if anything should develop, I will do everything that I can to alert the membership and, of course, my friend, the gentleman from Indiana will do likewise to alert the membership before the recess is over.

Mr. HALLECK. That is what I was going to suggest, if something should arise and come up for consideration on Wednesday under suspension or under any other procedure for that matter, the gentleman would, of course, confer with me so that we could get notice of it out to the offices of the Members and through the press so that everyone would know in advance what the situation is.

Mr. McCORMACK. I think the Members can rely on the fact that if anything is to come up, the leadership will give sufficient notice in advance so that they may be advised before the recess is over.

As to Thursday and the balance of the week, I cannot see anything. But, I would like to make the usual reservation—outside of Tuesday, April 7, when I said there would be no legislation—that any further program would be announced during that week. As usual I will give as much advance notice to the Members as I can. But again I want to say that projecting my mind at this time, I cannot see anything that might come up that week or at least anything of great importance.

I might add that as of now all rules have been considered and when we dispose of this other bill today, the House will have done a remarkable job by the passage of these important bills that we have taken up.

As majority leader I want to congratulate the membership on both sides for the outstanding work the House has done so early in the session. After disposition of the next order of business on the program every rule reported by the Committee on Rules will have been taken care of, and the bills made ir order by them acted upon.

As I said, it cannot be expected that they can act upon recent requests made to them, but I know that immediately after the recess the Rules Committee will give its usual fine cooperation to the leadership.

AUTHORIZING CERTAIN FREE COMMUNICATION SERVICES

Mr. BOLAND. Mr. Speaker, by direction of the Committee on Rules I call up the resolution—House Resolution 212—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 257) providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLAND. Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE] and yield myself such time as I may use.

Mr. Speaker, I know of no opposition to the rule. It provides for the consideration of a noncontroversial resolution which does not require the expenditure of any Federal funds.

Mr. Speaker, I reserve the balance of my time.

Mr. SPRINGER. Mr. Speaker, this resolution was given a very complete airing in the committee, and I believe all of the objections were worked out.

No Federal funds are involved and no security is involved.

Many of my colleagues on the floor have asked why it is necessary to have separate legislation by the Congress on this matter. This is due to the provisions of the Communications Act of 1934. Under that legislation telephone and telegraph companies are precluded from providing free service and the Federal Communications Commission is not authorized to license aliens to operate radio stations under any circumstances. The exemptions provided for in this legislation would be temporary, for the duration of the Assembly. The Ninth Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organization of the International Telecommunications Union, which is a special agency of the U.N. This conference will discuss a range of technical problems involving radio and the radio spectrum, including the problem of recommending radio frequency which would be suitable for communication with space vehicles. In addition there will be an attempt to develop standards for color television and to make possible the international exchange of color television programs.

In all such past conferences, the host governments have extended the free services to official participants.

In our case, the U.S. common carriers would not be required to render free services, but they could provide the free services if they chose to do so.

Recently, the Federal Communications Commission issued an authorization for an amateur radio station to be constructed on the site of the conference. The operation of the station would be subject to special rules and regulations as the FCC believes is necessary and required.

This conference has the approval of the State Department and the Federal Communications Commission.

This resolution came unanimously from the committee. I know of no substantial objection that has been made by any Member of the House. I trust the resolution will be approved.

Mr. BUDGE. Mr. Speaker, I know of no opposition on this side to the adoption of the rule.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I call up House Joint Resolution 257, providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law, and ask unanimous consent that the resolution may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the resolution as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prohibit (1) common carriers subject to such Act from rendering free communication services to official participants in the IX Plenary Assembly of the International Radio Consultative Committee (CCIR) to be held in the United States in Los Angeles, California, in 1959, or (2) qualified official participants in such assembly from operating any amateur radio station licensed by the Federal Communications Commission to be operated at such assembly, but any such rendition of services or operation of an amateur radio station shall be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

Mr. HARRIS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to insert my own statement in the RECORD at this point as to the purpose of the legislation and to include therein a letter from the Federal Communications Commission regarding the resolution, as to the security limitations and protection we have, together with the petition

that was filed by the organization seeking this authorization.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, the purpose of the legislation is, first, to permit U.S. common carriers subject to such regulations as may be issued by the FCC to render free telephone and telegraph service to official participants at the IX Plenary Assembly of the International Radio Consultative Committee—CCIR—to be held in the United States in Los Angeles, Calif., from April 1 to April 30, 1959; and second, to permit qualified official participants in the Assembly to operate, subject to such regulations as may be issued by the Federal Communications Commission, an amateur radio station which the Commission has licensed to be located at the Assembly site.

Under the provisions of the Communications Act of 1934, as amended, telephone and telegraph companies are precluded from providing free services and the Federal Communications Commission is not authorized to license aliens to operate radio stations.

To exemptions provided for in this legislation would be temporary for the duration of the Assembly.

The Ninth Plenary Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organ of the International Telecommunications Union which is a specialized agency of the United Nations.

The conference has been called for the purpose of discussing a wide range of technical problems involving radio and the radio spectrum including the problem of recommending radio frequencies which would be suitable for communications with space vehicles; detailing technical requirements for stereophonic broadcasting; and developing standards for color television to make possible the international exchange of color television programs.

When such a conference is held it is customary for the host government to extend the courtesy of free telephone and telegraph services to official participants. In most of the countries of the world, telecommunications services are government-owned and operated and it is a simple matter for the foreign governments to furnish free telephone and telegraph services for official participants to these conferences.

There is a precedent for this legislation in that the 80th Congress in 1947 by joint resolution authorized the rendering of similar free services by U.S. common carriers for official participants in the Atlantic City Conference.

It should be pointed out that the U.S. common carriers would merely be authorized and would not be required to render free services, and it should further be noted that this legislation would not involve any expense to the Government of the United States.

The purpose of the legislation further would be to permit qualified official participants at the Assembly to operate amateur radio equipment located at the site of the Assembly, and to communicate with their colleagues in their own countries. The Federal Communications Commission recently issued an authorization for such an amateur station, and the operation of this station would be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

The purpose of this amateur station is to demonstrate to the official participants in the conference the latest amateur radio equipment produced by American manufacturers.

The Department of State and the Federal Communications Commission are supporting this legislation which also has the approval of the Bureau of the Budget.

The matter of security, of course came up in connection with the operation of a radio station by aliens. We have a letter which I received from the FCC and I ask authority to put it in the RECORD. It clearly explains how security is provided and we do not have to worry about that phase.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 17, 1959.

Hon. OREN HARRIS,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN HARRIS: We have been informed that certain questions have arisen in connection with your committee's consideration of Senate Joint Resolution 47 and House Joint Resolution 257, identical joint resolutions providing that certain activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934, or any other law.

The resolutions contain two separate aspects, they being amateur and common carrier exemptions. The information concerning the amateur provision will be dealt with first. As stated in the comments forwarded to the House committee an authorization for an amateur station was recently issued to be located at the site of the CCIR conference (K6USA). Mr. Raymond E. Meyers is to be the trustee of station K6USA, and he will have the responsibility of always having present a U.S. licensed amateur operator for the purpose of controlling the transmitter, to supervise the operations of the amateur station and to take control thereof should it become necessary. The primary reason for having a licensed U.S. amateur operator present at all times is so that the foreign delegates will be made familiar with our operating requirements. The delegate users of the station will be licensed amateurs of their own countries. It is presently proposed that the certification of the qualifications of a foreign operator will reside in the discretion and judgment of the supervising U.S. licensed amateur. It will be necessary to waive the following parts of the Communications Act of 1934, as amended: Sections 301, 308(b), 319(a), and 310(a)(1). It will also be necessary to waive the provisions of section 12.28 of part 12 of the Commission's rules and regulations.

Enclosed you will find a copy of a petition for waiver of section 12.28 of part 12 of the Commission's rules. The petition sets forth the procedure that will be followed in the operation of the station (K6USA) should the waiver be granted.

The provision dealing with U.S. common carriers is similar to that enacted in 1947 for the Atlantic City Radio Conference. The resolution will permit all private telecommunications companies to provide free services to officials at the conference. It is our understanding that during the 1947 conference delegates were given one 12-minute call without charge. It cannot be stated at this time whether or not the same practice will be followed for the 1959 conference. It must be emphasized that this s permissive and not mandatory legislation. The carriers may give the free service but they will not be under any compulsion to do so if the proposals become law. The common carrier provision of the resolution will require the waiver of the following parts of the Communications Act of 1934, as amended: Sections 201, 202, 203, 204, 205, and 210. It will also be necessary to waive the provisions of parts 41 and 61 of the Commission's rules and regulations.

Very truly yours,

EDGAR W. HOLTZ,
Associate General Counsel.

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION, WASHINGTON, D.C.—IN THE MATTER OF PROPOSED WAIVER OF SECTION 12.28 OF THE COMMISSION'S RULES, PART 12, TO PERMIT QUALIFIED FOREIGN PARTICIPANTS IN THE IX PLENARY ASSEMBLY OF THE CCIR, TO BE HELD IN LOS ANGELES, CALIF., DURING THE MONTH OF APRIL 1959, TO OPERATE THE SPECIAL EVENTS RADIO STATION K6USA USING TELEGRAPHY, AND TELEPHONY

1. Petitioner, Raymond E. Meyers, trustee for the Los Angeles Area Council of Amateur Radio Clubs, is holder of a special events amateur radio station license with the call letter of K6USA. This license was obtained for the express purpose of participation in the U.S. State Department sponsored IX Plenary Assembly of CCIR and assisting the Government-Industry Committee in the presentation, and operation, of an amateur radio station on a 24-hour basis throughout the month of April 1959. The Government-Industry Committee was of the opinion that such a project would be of extreme interest to our visiting dignitaries and delegates to CCIR.

2. The proposed conditions to the waiver, if granted, would permit our foreign delegates to the Plenary Assembly, guests of our State Department, to participate in the operation of special events amateur radio station K6USA. This would serve as a means to permit our visitors to better understand amateur radio as we in the United States enjoy this hobby, and tend to better world democracy and understanding of the amateur. The proposed conditions of the waiver requested are as follows:

(A) The foreign operator will be required to display his foreign amateur license, or otherwise establish his amateur qualifications to the satisfaction of the trustee, or his agents, before he will be permitted to operate special events amateur radio station K6USA.

(B) All operation of station K6USA by such foreign operators will be under the direct supervision of an amateur operator of the appropriate class, currently licensed by the Commission.

(C) All transmissions of K6USA will be in plain language and, if in a foreign language, those station identifications which are required by the Commission's rules will be made in the English language.

Dated March 9, 1959.

Respectfully submitted.

RAYMOND E. MEYERS,
Petitioner.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. SCHENCK. In discussing this legislation in our committee, my biggest

reservation was whether or not these amateur radio operators operating transmitters, said operators being citizens of other nations, the material that they transmit is subject to proper rules of security. I wonder if the chairman feels now, having received this letter from the Federal Communications Commission and his other communications from the State Department and others, is satisfied himself that these proper security measures will be taken, have been taken, and will apply?

Mr. HARRIS. I am thoroughly satisfied that adequate measures will be taken. I might read just one sentence from the letter which has just been received from the Commission:

Mr. Raymond E. Meyers is to be the trustee of station K6USA, and he will have the responsibility of always having present a U.S. licensed amateur operator for the purpose of controlling the transmitter.

Mr. SCHENCK. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say to the gentleman that I am more than pleased to hear from him that this is one international meeting that is not going to cost the taxpayers any money. I wish that more resolutions concerning international meetings came from his committee instead of the Committee on Foreign Affairs. I thank the gentleman for yielding.

Mr. SPRINGER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this resolution was given a very complete airing in the committee, and I believe all of the objections were worked out.

No Federal funds were involved and no security is involved.

Many of my colleagues on the floor have asked why it is necessary to have separate legislation by the Congress on this matter. This is due to the provisions of the Communications Act of 1934. Under that legislation telephone and telegraph companies are precluded from providing free service and the Federal Communications Commission is not authorized to license aliens to operate radio stations under any circumstances. The exemptions provided for in this legislation would be temporary, for the duration of the Assembly. The Ninth Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organization of the International Telecommunications Union, which is a special agency of the U.N. This conference will discuss a range of technical problems involving radio and the radio spectrum including the problem of recommending radio frequency which would be suitable for communication with space vehicles. In addition there will be an attempt to develop standards for color television and to make possible the international exchange of color television programs.

In all such past conferences, the host governments have extended the free services to official participants.

In our case, the U.S. common carriers would not be required to render free services, but they could provide the free services if they chose to do so.

Recently, the Federal Communications Commission issued an authorization for an amateur radio station to be constructed on the site of the conference. The operation of the station would be subject to special rules and regulations as the FCC believes is necessary and required.

This conference has the approval of the State Department and the Federal Communications Commission.

This resolution came unanimously from the committee. I know of no substantial objection that has been reached by any Member of this House. I trust the resolution will be approved.

Mr. HARRIS. Mr. Speaker, the Senate has passed an identical resolution, Senate Joint Resolution 47, and I ask unanimous consent to substitute the Senate resolution for House Joint Resolution 257.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in the Communications Act of 1934 as amended, or in any other provision of law shall be construed to prohibit (1) common carriers subject to such Act from rendering free communication services to official participants in the IX Plenary Assembly of the International Radio Consultative Committee (CCIR) to be held in the United States in Los Angeles, California, in 1959, or (2) qualified official participants in such assembly from operating any amateur radio station licensed by the Federal Communications Commission to be operated at such assembly, but any such rendition of services or operation of an amateur radio station shall be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar resolution (H.J. Res. 257) was laid on the table.

FORTY-FIRST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF BYELORUSSIA

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, today is the 41st anniversary of the Declaration of Independence of Byelorussia, and since the Byelorussian people in their occupied homeland are forbidden to observe national holidays of special significance to them, the American citizens of Byelorussian descent are again joining with other Byelorussians in the free world in the commemoration of this most memorable day in the history of the Byelorussian people in order to keep alive the spirit of freedom of the Byelorussian people and to encourage them to further their resistance against the Communist rulers of their country.

It was on March 25, 1918, when the people of Byelorussia proclaimed their land a free and independent republic. The young Byelorussian National Republic, however, did not flourish very long. Her territory was turned into battlefields between the rallying forces first of Russia and Germany and then Russia and Poland, and the tragedy befell again.

At the Treaty of Riga in 1921 Byelorussia's body was cut in two. The eastern two-thirds of her territory was occupied by Russia, where, in order to acquiesce the feelings of the Byelorussian people, the so-called Byelorussian Soviet Socialist Republic was established to take the place of the rightful government of the Byelorussians, which was forced into exile. The western one-third was occupied by Poland.

By the 1939 agreement between Ribbentrop and Molotov, Russia obtained the right of taking over the western part of Byelorussia from Poland up to the Curzon Line and did occupy it soon thereafter. In 1944 Byelorussia's territory was reoccupied by Russia again and it is known to us today under the name of the Byelorussian Soviet Socialist Republic. However, only one-half of the ethnographical territory of Byelorussia found its way within the boundaries of the present day Byelorussian Republic. The rest of it was distributed by Russia among the peoples' republics f Poland, Lithuania, Latvia, Ukraine, and, of course, Russia.

The Russian domination, however, has not destroyed the love of liberty that still burns in the hearts of the Byelorussian people. Until the present day they have shown signs of their disapproval of the Communist ideologies and the rule of the Kremlin despots, hoping that sooner or later the day will come again when the Russian Empire will fall apart and they will be able to restore their freedoms and political independence within the lawful boundaries of their ethnographical territory.

Mr. Speaker, it is altogether fitting and proper that we take special note of this 41st anniversary of the Declaration of Independence of Byelorussia, particularly at a time when the same issue of freedom versus slavery is so fresh in our minds over the Berlin crisis. I am sure all of us here today share the hope of all our good American citizens of Byelorussian descent that some day their relatives and friends will be free of Russian bondage to enjoy the fruits of liberty which bloom so bountifully for us in these great United States.

NINETEEN HUNDRED AND SIXTY-FOUR OLYMPIC GAMES

Mr. MORGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S.J. Res. 73) extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. MORGAN. Mr. Speaker, this resolution gives official endorsement to an invitation to hold the 1964 Olympic games in Detroit. The Olympic games in 1960 are to be held in Rome, Italy. Detroit has sought the Olympic games for the last 12 years. A similar resolution passed the House in 1949 and again in 1955. The International Olympic Committee will meet next month in Munich, Germany, to decide where the 1964 Olympic games will be held and that is the reason for asking immediate action on this resolution.

Mr. GROSS. I understand that this will not cost the Government any money.

Mr. MORGAN. This will not cost the Government a dollar.

Mr. GROSS. The gentleman has that assurance?

Mr. MORGAN. Yes. We have a letter from the chairman of the Detroit Olympic Committee assuring the Senate Foreign Relations Committee that there will be no Federal money asked for the Olympics in Detroit in 1964.

Mr. GROSS. The people of Michigan are a little different than the people of Chicago; is that not correct?

Mr. MORGAN. That is correct and, of course, the circumstances are different.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman.

Mr. BENTLEY. Mr. Speaker, even though we in Michigan are not in an enviable position financially, nevertheless we feel we can take care of these games on our own.

Mr. GROSS. I appreciate it.

The joint resolution was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, a similar House joint resolution (H.J. Res. 300) was laid on the table.

AUTHORITY TO DECLARE A RECESS TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker for the remainder of the day to declare a recess.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AIR FORCE ACADEMY

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, the State of Colorado is now the site for the Air Force Academy. We were delighted in the success that was made by this Academy particularly in athletics last year. Business, civic leaders, and labor officials have authorized the incorporation of the Air Power Command, a nonprofit organization to immediately raise funds for the establishment of a museum in connection with the Air Power Memorial Stadium to be located in the greater Denver area. This resolution has been adopted by the Colorado Legislature and reads as follows:

Whereas mayors, city and town councils, county commissioners, junior and senior chambers of commerce, trade organizations, and business, civic, and labor officials of the greater Denver area, on the night of March 5, 1959, in joint meeting, by resolution and unanimous vote, authorized the incorporation of the Air Power Command as a nonprofit fund raising organization, with instructions to proceed immediately to raise funds on a local and national basis for construction of a 60,000- to 75,000-seat Air Power Memorial Stadium to be located in the greater Denver area; and

Whereas the greater Denver area is the largest center of population in the State of Colorado, and thus, from the standpoint of revenue, transportation and year-around use, is the logical location for a stadium of this size; and

Whereas since the people of the United States will be asked to finance the stadium on a donation basis, the people of Colorado must assure all donors that their moneys will be used wisely in building an Air Power Memorial Stadium which will be used throughout the year and not just 5 or 6 days; and which will truly be a living monument to the heroes of airpower, from the Wright brothers to the missile and rocket age and from Gen. Billy Mitchell to Capt. John Ferrier—for all the world to see, enjoy, and use for all types of civic and sports events; and

Whereas all profits from the use of the Air Power Memorial Stadium shall be carefully distributed to local and national charitable organizations—demanding that the stadium facilities must be rented and utilized as much as possible to insure maximum earnings; and

Whereas the Air Power Memorial Stadium, while intended primarily for use by the U.S. Air Force Academy, by its magnitude, will also encourage early entry and usage of professional football, major league baseball, large conventions, possible world sports meets, and many large conventions, possible meets, and many other events to attract millions of additional visitors to our great State of Colorado: Now, therefore, be it

Resolved by the Senate of the 42d General Assembly of the State of Colorado, That the members of the State Senate of the General Assembly of the State of Colorado on behalf of the people of Colorado, feeling it is in the best interests of the State, hereby endorse, authorize, and support the program of the Air Power Command, as a nonprofit corporation, to bring into reality through a national fund raising campaign, an Air Power Memorial Stadium in the greater Denver area.

BOYS' TOWNS OF ITALY

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, tomorrow a distinguished visitor from Rome will arrive in Washington to begin a tour of the United States in celebration of the 15th anniversary of Boys' Towns of Italy.

Princess Gabriella Pacelli, niece of the late Pope, accompanied by her American-educated daughter Ursula, will be received at the White House by Mrs. Eisenhower. The First Lady's gracious gesture in meeting with the Roman princesses is one more indication of the great interest this country has always shown in a wonderful humanitarian project—Boys' Towns of Italy.

I, myself, have visited several of the nine Italian Boys' Towns. I have seen the dramatic results of American generosity in extending hands across the sea to salvage the young victims of war. Over 30,000 boys, each one a potential juvenile delinquent, have been turned, almost without exception, into useful citizens, thanks to the work of these model self-governing communities.

In more recent years, Boys' Towns have been credited with combating the malignant forces of communism. And, in the last few years, a Girls' Town, located near Rome, has been added, thanks largely to the efforts of motion-picture star Linda Darnell, who, like me—like every visitor to Boys' Towns—was inspired by the fine things she saw.

Princess Pacelli is coming here as a good-will ambassador for a cause with which she has been closely identified since its beginnings on the shattered streets of Italy. In those early days of heartbreak and discouragement, the princess worked by the side of Monsignor Patrick Carroll-Abbing, the remarkable Irish priest who founded Boys' Towns.

The Monsignor, then a Domestic Prelate to the Vatican, gathered together wandering, homeless boys of postwar Italy and fed them. He saw his work grow from a cellar refuge—Shoe Shine Hotel—founded on Christmas Eve, 1944, to its present stature of 9 Boys' Towns scattered throughout Italy, the newly founded Girls' Town, and 30 nurseries in poverty-stricken southern Italy.

President Eisenhower has called the success of Boys' Towns of Italy a "tribute to the great heart of the American people." Former President Truman has said of it, "I cannot think of a more practical philanthropy nor one that breathes more deeply the spirit of true Christian brotherhood than this work."

Boys' Towns of Italy was founded by an Irish priest. His work has inspired thousands of Americans differing in religion, national background, politics and professions, in a common effort towards a better world.

American labor has joined hands with American management to give generously to this great cause. Boys' Town of Pozzouli, for example, was sponsored by Local 48 of the International Ladies' Garments Workers' Union. Boys' Town of Palermo was a project of a committee of the men's clothing industry of New York. American names are scattered throughout this project. My own state of New Jersey is responsible for one

of the buildings at Boys' Town of Rome. And throughout that community one finds such names as the Connecticut, Massachusetts, California and Maryland Buildings and the Pennsylvania Farm.

It is most appropriate that we welcome Princess Pacelli and her daughter at a season of the year that spells hope, peace, and brotherhood for Christians throughout the world and for men of good faith everywhere.

ESPA REPORTS ON IMPORT RESTRICTIONS FOR RESIDUAL FUEL OIL

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the weekly letter issued by the Empire State Petroleum Association, Inc., in New York, which deals principally with the problem of mandatory import restrictions on residual fuel oil and other finished products.

The letter follows:

MARCH 20, 1959.

To ESPA Members:

The President's proclamation on import restrictions for residual fuel oil and other finished products is already creating havoc among nonimporting distributors who can easily find themselves unable to get sufficient supplies to maintain existing contractural relations with their customers. Unless quickly corrected, this situation can cause irreparable damage to many fuel oil distributors and their customers.

Since the Government has restricted residual imports to the historical level of 1957, utterly disregarding contractual obligations distributors may have made since then, it is obvious that much harm can result from these regulations.

Because of the nature of the product, imports of residual fuel oil have historically been confined to a few actual importers. However, the large volume of these imports flowed downstream to many distributors. The resulting impact of restrictions on the small businessman was completely overlooked or ignored by Government.

The circumstances now facing many distributors are similar to those existing during regulation by the Petroleum Administration for War. The principal difference is that the present restrictions are not based upon emergency conditions such as we faced during the war days. The salvation of the small oil business at that time was the guarantee by the Government of a historical supply position to all segments of the industry.

Unfortunately, the present program seems only to protect the historical position of the direct importers who were in business in 1957. This is in direct contrast to the measures taken by the Government to protect the competitive position of the refiners who did not import crude oil in the past, regardless of whether their assigned quotas can be used or not.

We are sure that the disastrous effects of residual restrictions were not foreseen by Government when the President included residual in his program of import restriction. The pressure for residual restrictions was completely political and had no economic basis nor would the lack of such restrictions affect "national security" one iota.

The corrective measures necessary, distasteful as they may be, require the creation of further controls which would guarantee nonimporting fuel oil distributors a historical position with both offshore and domestic suppliers of residual fuel oil.

Or better still, the simplest and surest way of correcting this situation is to immediately eliminate residual fuel oil restrictions as a part of the program.

Meanwhile, we urge every member to examine his residual fuel oil supply contract and commitments in order to develop measures necessary to protect his business and to submit to this office all factual evidence of hardship.

The latest press reports indicate that import quotas given some 76 refineries who have never been in the business of importing will carry a premium as high as $1 per barrel. Trading is said to have forced the price up to $1 from 60 cents several days ago. Allocations granted the new quotaholders aggregate approximately $31 million annually or an average of something like $400,000 to each of the new refiners.

Inasmuch as these are, for the most part, inland plants, the only benefit they can have for the refiner is for the purpose of trading. Trades are said to take the form of an exchange for domestic crude with a cash bonus, or a bonus in the form of finished or unfinished products of one kind or another.

Speaking editorially in our monthly magazine for October 1958, under the heading—"Are Import Restrictions Necessary? A Plea for the Consumer"—ESPA spoke of the proposed quota plan as "A gravy train if there ever was one."

As the program now works out, there seems to be little reason for changing our mind.

Prices: Heating oil prices are quiet at both the gulf and New York Harbor. However, discounts of 0.15 cents per gallon for kerosene and No. 2 fuel are said to be available at Philadelphia.

Gasoline prices are reflecting rising interest at the gulf and residual is showing strength.

Anchor Oil Corp., Mobilheat distributor at Corona, N.Y., advertises "Landlords of multiple dwelling cold water flats: 500 gallons free of Mobilheat fuel oil plus regular $50 Minneapolis-Honeywell electric clock thermostat—free—if you order here before March 15. These gifts are yours with the installation of our oil burner at new low prices. No money down, 5 years to pay."

Insurance program: All members attending our annual meeting at the Hotel Astor in New York City, should plan to attend the membership meeting at 11 a.m. on Monday morning, April 6, at which Mr. W. T. Chamberlain will speak on our new insurance program. This program means money to you and you cannot afford to miss it.

Texas allowable: Texas Railroad Commission has reduced the allowable production for the month of April to a figure 107,214 barrels daily below the permitted production for March. The new allowable involves an 11-day production schedule.

Degree days for the week ended March 15 and for the accumulated period September 1–March 15, as compared to normal and to the same period a year ago, are set forth below for a number of east coast points:

Location	Week ended Mar. 15			Cumulative (since Sept. 1)		
	This year	Last year	Normal	This year	Last year	Normal
Buffalo	258	245	234	5,524	5,220	5,297
Rochester	269	246	235	5,654	5,348	5,391
Syracuse	266	243	226	5,758	5,328	5,191
Albany	273	226	235	5,924	5,350	5,583
Binghamton	254	237	220	5,594	5,201	5,228
Boston	236	175	200	4,843	4,199	4,570
New York	197	181	178	4,243	3,952	4,070
Philadelphia	176	171	159	3,967	3,789	3,755
Total	1,929	1,724	1,687	41,507	38,387	39,085

The Texas Co., through its board of directors has voted to change the name of the company to Texaco, Inc., subject to ratification by the stockholders at the annual meeting, April 22.

In view of the trademark "Texaco," it is pointed out by the company that changing the name would be beneficial in its marketing and advertising programs and in its relations with the public at large.

Tidewater has announced the purchase of F. D. Koehler Co., Inc., of Staten Island. Koehler has been a Tidewater distributor in the Staten Island area for more than 45 years. With the purchase, Tidewater acquired 27 retail outlets, a number of commercial accounts, a substantial fuel oil business, and a water terminal, as well as dispensing and other equipment.

Supply and demand: There is nothing startling in the inventory changes during the week. Gasoline stocks advanced moderately and distillate inventories were subject to some reduction. Distillate stocks are now ahead of a year ago at all points east of California.

The latest review of the petroleum situation by the Chase Manhattan Bank states that the outlook for March is good. That month in 1958 witnessed temperatures slightly colder than usual. This year, the accumulation of degree days in March thus far indicates the month may prove somewhat colder than last year. If so, a favorable gain for distillates can be expected. Also, economic activity will be greater this year and that should generate higher demand for petroleum.

On the residual picture, the bank says: "With domestic production of residual fuel becoming increasingly inadequate, imports are the sole alternative. Consumers, with specialized burning equipment and storage facilities, cannot switch to other fuels except at great cost. For them, the failure to import a sufficient volume of residual fuel would constitute a distinct hardship."

HARRY B. HILTS,
Secretary.

Crude runs, product production, stocks and demand, week ending Mar. 13, 1959

District	Daily crude runs	Up or off from previous week	Average, prior 4 weeks	Average, March 1958
East coast	1,328,000	Up 18,000	1,319,000	1,218,500
East of California	7,158,000	Up 50,000	7,011,000	6,324,300

Crude runs, product production, stocks and demand, week ending Mar. 13, 1959—Con.

PRODUCTION (BARRELS DAILY)

	Daily production		Yield (percent)		Daily refinery shipments [1]	
	Current	Average prior 4 weeks	Current	Average prior 4 weeks	Current	Average prior 4 weeks
East coast:						
Gasoline	563,000	597,000	42.4	45.3	442,000	518,000
Kerosene	61,000	54,000	4.6	4.1	124,000	79,000
Distillate	393,000	464,000	29.6	35.2	538,000	613,000
Residual	192,000	192,000	14.5	14.6	[2] 896,800	[2] 973,000
East of California:						
Gasoline	3,504,000	3,401,000	48.9	48.5	3,069,000	3,147,000
Kerosene	329,000	374,000	4.6	5.3	326,000	426,000
Distillate	1,839,000	2,007,000	25.7	28.6	2,008,000	2,322,000
Residual	767,000	760,000	10.7	10.8	[2] 1,459,800	[2] 1,580,750

[1] Does not include imports or adjustment for interdistrict shipments of finished product.
[2] Includes imports.

STOCKS (BARRELS END OF WEEK)

	Gasoline	Kerosene	Distillate	Residual
East coast:				
Mar. 13, 1959	50,877,000	9,134,000	29,753,000	12,627,000
Mar. 6, 1959	50,031,000	9,574,000	30,769,000	12,324,000
Mar. 14, 1958	49,787,000	8,077,000	27,878,000	11,020,000
East of California:				
Mar. 13, 1959	181,196,000	18,629,000	68,986,000	27,165,000
Mar. 6, 1959	178,152,000	18,605,000	70,166,000	26,774,000
Mar. 14, 1958	188,041,000	17,101,000	68,438,000	25,696,000
National:				
Mar. 13, 1959	210,290,000	18,988,000	78,876,000	55,010,000
Mar. 6, 1959	207,015,000	18,985,000	80,616,000	54,835,000
Mar. 14, 1958	216,525,000	17,459,000	81,853,000	55,061,000

SLOW DISASTER IS WORSE THAN SUDDEN DISASTER

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, when a flood, drought, fire, hurricane, earthquake or other catastrophe strikes, the President of the United States may designate certain areas as disaster areas eligible for disaster assistance by the Federal Government. The Federal Disaster Act of 1950 (Public Law 875, 81st Congress) provides for the maximum mobilization of Federal assistance to alleviate suffering and damage in these disaster areas.

Today in many areas of the Nation, economic disaster has stricken the people. There is acute suffering and hardship in my State of West Virginia as thousands have exhausted their unemployment benefits; children cannot go to school because they are hungry, husbands are committing crimes to go to jail so their families can receive relief, human beings are trying to live on surplus commodities on diets worse than prisoners of war receive, small businesses are closing their doors, and our younger people are roaming the country looking for jobs. These people want to work rather than receive a dole. They are hardy and independent people and are not looking for handouts. Yet, Mr. Speaker, we face a situation which is even more serious than the great depression of the 1930's. Even though the New Deal legislation has furnished an economic cushion against severe hardship, the economic conditions are now worse and the cushion is worn bare.

Mr. Speaker, when a natural disaster such as a hurricane, flood, or earthquake strikes, the Federal Government can move in and help. The compassion of people everywhere is aroused. The Red Cross rushes to the scene to assist those stricken. I submit, Mr. Speaker, that slow disaster is worse than sudden disaster because we do not have the means to cope with it, and the long-range effects on human morale are more serious.

I believe we must move quickly to pass the Area Redevelopment Act. Even if the President vetoes this act, as he did last year, we must rally to pass an effective act over his veto. But above and beyond that, Mr. Speaker, I hope that we may take the necessary action to accord the same legal status to economic disaster areas as we now do to those areas stricken by natural disasters.

GREEK INDEPENDENCE DAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, it is a privilege and an honor for me to take the floor of the House today to salute on their Independence Day the gallant people of our great ally, Greece.

These are the proud and worthy descendants of those cultured Greek people who had formed their independent state and had lived in orderly freedom centuries before the peoples of the West had any notion of freedom as we understand it today. The ideas and ideals of freedom and independence, as dreamed and cherished, understood and prized, were first conceived and realized by the Greeks of ancient classical days in all their glory.

But the Greeks who brought forth this ideal state were not always free. There were long periods of subjugation, when on more than one occasion the entire population of many parts of the country was massacred. While this was done to discourage uprising against the existing order, nothing could cause these wonderful people to falter in their valiant efforts to again attain their freedom. They tried again and again, and the last attempt, begun on March 25, 1821, 138 years ago, was fortunately and eventually crowned with glorious success.

Since those days Greeks have been free in Greece and masters of their destiny, but they still have had their anxious and parlous days. Towards the end of World War II Greece was in danger of losing its independent existence. The combination of Communists and partisans was almost too much for the Greek Government to cope with, and were it not for the firm stand taken by the United States of America that country could very well have become another Moscow satellite.

Like all other Americans, I am proud that our country had a hand in forestalling such a calamity. Today Greece is a bastion of freedom and democracy in the Balkans against the forces of Communist totalitarianism. The bonds of friendship between the people of the United States and the people of Greece are strong and lasting. Together we join in happy celebration on this, the anniversary of their independence.

GREEK INDEPENDENCE DAY

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, Greeks always have been, throughout their long and glorious history, a wonderful people, and have worked wonders in many walks of life. From their earliest days in their ancient land they were first in the arts and literature, and in the sciences as well. They held the lead in the study and understanding of nearly all human affairs, and they were the true pioneers in statesmanship and in the art of government.

Other countries and other peoples can claim firsts in other phases of human activity, but we in the West gladly recognize Greece as the birthplace of our civilization with its democratic doctrines and institutions, and the Greeks as its creators.

The ideas of freedom and liberty and national independence had their origin in the Greek mind. The Greeks prized these ideas as the noblest of human aspirations, and cherished them as the sinews of their spiritual life. Independence of mind, and of the spirit; individual, communal and national freedom they regarded as first prerequisites of self-respecting and free peoples.

These are the same ideas for which our Founding Fathers fought and died, and which the West is prepared to safeguard and defend against all comers today.

Unfortunately Greeks by themselves were not able to cope with their powerful

adversaries in the past. As a result, they lost their national independence long ago, and from mid-15th century until the early 19th, they were held down in their ancient land by Ottoman sultans. In the early 1820's they revolted against their oppressors, and began the rebellion of March 25, 138 years ago, which eventually led to their complete independence in 1827.

That revolt, led by a brave band of Greek patriots on that historic day, marks the brightest spot in modern Greek history, and has become their national holiday.

Neither the attainment of Greek independence, nor its preservation was easy. It was attained against heavy odds, and it is safe to say that without the effective aid and decisive intervention of certain Western Powers, it could not have been attained at that time. But the badly needed aid given by all sympathizers and well-wishers of Greece made Greek independence certain. Nor has the safeguarding of that independence been easy, particularly during the last decade or so.

In the last war Greece fought brilliantly and bravely on the side of democracies, and suffered at the hands of the Axis. Toward the end of that war, when liberation was in sight, Greece was plagued by Communist partisans, who came very close to dragging her into the Stalin totalitarian camp. But the timely and resolute British aid, fully backed and then effectively supplemented by this country under the Truman doctrine, saved the Greeks from communism and thus safeguarded Greek independence.

It is no exaggeration to say that, soon after the last war, when Greek independence was in grave danger, our material aid conveyed through the Truman doctrine, and our moral support were of decisive importance. Even though it cost us more than a billion dollars to do it, I am glad to say that we were in a position to render such aid for a great cause and thereby gain a valuable ally, a true bastion against communism in the Balkans, in our unrelenting struggle against forces of oppression and totalitarianism.

Greeks have shown their appreciation in many ways, particularly in the part they played in the Korean war, and in the vigorous stand they have taken today against communism. In their fight for freedom and independence they are prepared to fight all comers.

On this 138th anniversary of Greek Independence Day I join all Americans of Greek descent and wish all Greeks peace and happiness in their ancient homeland.

PUBLIC OPINION POLL OF 15TH CONGRESSIONAL DISTRICT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HENDERSON. Mr. Speaker, for the past 4 years, I have conducted a poll of the public opinion of the 15th Congressional District of Ohio on certain national issues. The expression of interest which has been so evident in the responses to the surveys has been very gratifying to me. The answers I have received are a valuable indicator of general trends of thinking in southeastern Ohio and I wish to call the attention of the Members of Congress to the results which I have obtained. In the past, these results have been of considerable interest to other Members of Congress and to various executive departments and agencies of Government.

The 15th Congressional District which I have the honor to serve here is diverse in its interests, embodying both urban and rural communities and the points of view which are likely to be found in such areas. In the sense that these seven counties are similar in outlook to many other congressional districts, I believe it is possible to generalize fairly that the findings from this poll represent the same shadings of attitudes found throughout much of the Middle West as well as other regions of the Nation.

The questionnaire was distributed through the mails and many cooperating newspapers in the district with every effort exercised to assure that a random sample of opinion would be obtained without deference to any particular political or social philosophy. This sample of opinion reflects the tabulation of approximately 5,000 questionnaires which were returned to my office before March 24.

It is not possible to reflect the hundreds of separate and thoughtful comments explaining in detail the feelings of the people on particular issues. These, of course, have greatly added to the value of the poll. However, I shall attempt to summarize the main currents of thinking which were obtained not only in the tabulated answers but in the comments as well.

From this poll, it is evident that the overriding issue in the minds of southeastern Ohioans today is the matter of Government economy. In response to my question, "Would you favor efforts to balance the Federal budget, even though it might mean no additional Government programs and no expansion of most of the existing nondefense programs?" 69.6 percent of those answering indicated their support. Even more notable was the result of answers to the question, "Would you support anti-inflation legislation which would place Government controls on prices, wages, and rents?" Although the tabulation showed 48.7 percent in favor, 45.6 percent opposed, and 5.7 percent undecided, hundreds of those voting "Yes" qualified their answer by explaining that while Government controls were odious, inflation and taxation had reached such proportions that Government action was advisable. In these replies, the effect of Government spending as a stimulus to inflation was not overlooked and the Congress received heavy criticism for continuing to vote new and costly programs.

The U.S. policy opposing Communist expansion in Berlin, Formosa, and Lebanon was overwhelmingly endorsed with 89.6 percent favoring it. With respect to the admission of Communist China to the United Nations, 84.6 percent opposed any such recognition. This shows virtually no change in the feelings expressed by the people of the district over the past several years.

Another notable finding pertains to the attitude expressed on the present agricultural program. In 1958, my poll asked the question "Do you favor ending agricultural controls and the accompanying termination of price supports?" At that time, 65.16 percent of those answering expressed their opposition to controls and price supports. To test the sentiment today, I asked the same question this year to find the poll indicating the opposition had grown to 75.5 percent. These expressions were accompanied by comments, mostly from farmers, vigorously criticizing the cost of the farm support program and pointing to its failure to assist operators of family-sized farms.

The complete review of the results of the poll is as follows:

	Percent		
	Yes	No	Undecide
1. Are you in favor of the admission of Hawaii as a State?	83.6	9.5	6.9
2. Do you believe the Government should permit tests of pay TV plans?	23.4	67.3	9.3
3. Would you favor efforts to balance the Federal budget, even though it might mean no additional Government programs and no expansion of most of the existing nondefense programs?	69.6	25.3	5.1
4. Would you support anti-inflation legislation which would place government controls on prices, wages, and rents?	48.7	45.6	5.7
5. In the public versus private power discussion, do you believe the Federal Government should construct more electric power producing facilities and expand the Tennessee Valley Authority?	27.1	64.4	8.d
6. Do you believe Communist China should be admitted to the United Nations?	10.5	84.6	4.9
7. Do you agree with the present stand of the United States opposing Communist policies with respect to Lebanon, Formosa, and Berlin?	89.6	4.6	5.8
8. Do you favor legislation requiring public disclosure of the records of employee welfare and pension funds of labor unions?	92.4	5.4	2.2
9. Do you believe the U.S. program for the exploration of outer space is proceeding fast enough?	67.4	19.7	12.9
10. Should Congress act to make veterans who were drafted in peacetime eligible for education, housing, and mustering-out pay benefits similar to those granted World War II and Korean war veterans?	35.7	59.8	4.5
11. Do you favor Federal aid for school construction even though it would require a tax increase or deficit financing?	34.1	61.4	4.5
12. Are you in favor of a Federal gasoline tax increase to keep the road construction program at its present rate?	40.2	55.5	4.3
13. Do you believe the present 10 percent tax on telephones should be removed even though it means a loss of Federal revenue?	48.7	47.5	3.8
14. Do you favor ending agricultural controls and the accompanying termination of price supports?	75.5	18.2	6.3

THE PUERTO RICAN FEDERAL RELATIONS ACT

The SPEAKER. Under previous order of the House, the Resident Commissioner of Puerto Rico [Mr. FERNÓS-ISERN] is recognized for 10 minutes.

Mr. FERNÓS-ISERN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an official copy of an English translation of Joint Resolution No. 2, adopted by the Legislative Assembly of the Commonwealth of Puerto Rico and approved by the Government of Puerto Rico on March 19, 1959.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. FERNÓS-ISERN. Mr. Speaker, Joint Resolution No. 2 of the Third Regular Session of the Third Legislative Assembly of the Commonwealth of Puerto Rico, approved March 19, 1959, embodies highly commendable proposals. Nine years ago the 81st Congress enacted Public Law 600, in the nature of a compact. Upon its acceptance by the people of Puerto Rico, it enabled them politically to organize themselves under a constitution of their own adoption, and within terms of relationship set forth in the compact. The people of Puerto Rico accepted the terms of compact and proceeded to adopt a constitution, which created the Commonwealth of Puerto Rico. The constitution of the Commonwealth of Puerto Rico was approved by the Congress under Public Law 447 of 1952, and on July 25, 1952, the Commonwealth of Puerto Rico was proclaimed.

Under the provisions of Public Law 600, a Puerto Rico Federal Relations Act was provided for. It consists of a number of provisions of the Organic Act of Puerto Rico of 1917 which were not then repealed, but were continued in force and effect. Such provisions refer to the political and economic relations of Puerto Rico with the United States. The new body politic created in Puerto Rico now functions within the framework of those provisions and the relations thereby established.

After 7 years of the Commonwealth's success, and in the light of experience, we are now in a position to reexamine the provisions of the old Organic Act maintained in force and effect by Public Law 600. The language in those provisions was enacted 42 years ago. It must be read and interpreted now in the context of a new situation created in 1952. It is not surprising, therefore, that the language of such provisions of law may now appear in places anachronistic, and in others superfluous, inapplicable or inadequate. Nor is it surprising that it may need clarification in some instances in order to avoid conflicts of interpretation from which litigation may arise and in fact has arisen. The experience of 7 years has also shown that the creation of the Commonwealth, of which achievement I think both the Congress and the people of Puerto Rico should feel so proud, was not—as no human creation can be—devoid of imperfections which changing times make it the more necessary to correct. The purpose of Joint Resolution No. 2 of the Legislative Assembly of the Commonwealth of Puerto Rico is to seek such clarification and modification as time and experience now counsel.

The legislative assembly, by its joint resolution, has requested me to introduce legislation to seek such clarification and modification. I believe that the position taken by the Legislative Assembly of the Commonwealth of Puerto Rico, by its joint resolution, which the Governor of Puerto Rico has approved, is sound and appropriate. I support it. Consequently, in response to the request of the Puerto Rican Legislative Assembly, on March 23, I introduced H.R. 5926.

It is not my purpose to enter here into the details of H.R. 5926, but I do wish to call attention that, in order to carry out the wishes of the people I represent, as set forth in the joint resolution, the objectives sought are best attained by rewriting and reenacting the Puerto Rico Federal Relations Act. Piecemeal amendments would be tedious, confusing, cumbersome and unsatisfactory. H.R. 5926 would substantially reenact the Puerto Rico Federal Relations Act, with adequate clarification and a few modifications, in up-to-date language.

The purpose of my addressing the House today is not to discuss the bill. I wish, instead, to avail myself of this opportunity to make clear the significance of H.R. 5926, and how it relates to the position of the Commonwealth of Puerto Rico concerning its future. This seems to be the more important and necessary, since changes in the relationship of Puerto Rico to the United States, of a profound and transcendent nature, not envisaged by the Commonwealth of Puerto Rico, are at times mentioned as possible goals for Puerto Rico. This has occurred more often since the 85th Congress adopted an enabling act for the people of Alaska to organize themselves into a State and to be admitted into the Union, and because this year another enabling act of the same nature has been adopted for the Territory of Hawaii. In the opposite direction, proposals have been heard for the dissolution of the bonds now uniting Puerto Rico to the United States in order that the Commonwealth of Puerto Rico might become an independent republic.

The Commonwealth of Puerto Rico is not seeking either such profound and transcendent change, much as we realize the great honor that statehood would mean and much as we respect the independence of peoples who have so chosen. H.R. 5926 has nothing to do with either of these two propositions for a change of status for Puerto Rico.

For 60 years Puerto Rico has been living within the U.S. political system. Its status, in the beginning, was that of an unincorporated territory, a new concept evolved in the U.S. political system since the turn of the century. This came about as a result of the Treaty of Paris of 1899, and subsequent legislative enactments by the Congress and interpretations and decisions by the Supreme Court of the United States. Such creation was necessary as a consequence of the acquisition of sovereignty over territories inhabited by peoples of different historical backgrounds and cultures not intended, at that time at least, for incorporation into the United States. The territories, acquired at that time as a result of the Spanish-American War and so referred to, were the Philippines, Puerto Rico, and Guam.

During those 60 years, through a series of legislative enactments, in normal and natural evolution from the chrysalis of an unincorporated territory; from "the people of Puerto Rico," and from "citizens of Puerto Rico entitled to the protection of the United States," Puerto Rico and its people have evolved into a self-governing Commonwealth, associated with the United States in accordance with terms of relationship accepted by the people of Puerto Rico as offered by the Congress through a law enacted in the nature of a compact. The citizens of Puerto Rico are citizens of the United States.

As may be seen, the Commonwealth is the result of a long period of progressive and careful adjustments during which new political concepts have developed in the light of historical, cultural, and economic realities. And I may say for the people whom I represent that they have found political dignity in a democratic life, and security under sound political institutions, in the Commonwealth. It gives them an opportunity to overcome the very serious economic and social problems with which they struggle, distressing problems so serious that a few years ago they appeared almost unsolvable. They are making gallant progress now in overcoming poverty, unemployment, want, and need. They know that it would be entirely unrealistic for them to even attempt to alter fundamentally the present framework of relationships, thus endangering and indeed probably sacrificing many social and economic gains already made. In the case of independence, it might even prove tragic. On the other hand, the people of Puerto Rico are a proud people. They cherish the hope that, as they grow economically, they may progressively accept and undertake greater responsibilities within their association with the United States. By the same token, they would not seek changes in relationships which, as far as they now can see, would pose very complex problems, economic and otherwise, as might be the case with statehood. They know also that the concept of commonwealth is not static. Rather, it is a dynamic concept. Therefore, the people of Puerto Rico do not wish to deviate from their present path and thereby endanger accomplished gains. It is on the basis of these concepts, and no others, that I bring to Congress the expressed will of the people of Puerto Rico, in accordance with Joint Resolution No. 2 of the Legislative Assembly of the Commonwealth of Puerto Rico, and reflected in H.R. 5926.

COMMONWEALTH OF PUERTO RICO,
DEPARTMENT OF STATE,
San Juan, P.R.

I, N. Almiroty, assistant secretary of state of the Commonwealth of Puerto Rico, do hereby certify that Jose Luis Vivas, who au-

thorizes the attached translation into English of Joint Resolution No. 2 (H.J. Res. 1510), is director of the translation division of the Department of State of Puerto Rico, and that his signature thereon affixed is genuine.

In witness whereof, I have hereunto set my hand and affixed the great seal of the Commonwealth of Puerto Rico, at the city of San Juan, this 19th day of March, A.D. 1959.

[SEAL] N. ALMIROTY,
Assistant Secretary of State.

COMMONWEALTH OF PUERTO RICO,
DEPARTMENT OF STATE,
San Juan, P.R.

I, Jose Luis Vivas, director of the translation division of the Department of State of Puerto Rico, hereby certify: That this is a full, true, and correct translation of Joint Resolution No. 2, of the third regular session of the Legislature of the Commonwealth of Puerto Rico, approved on March 19, 1959.

Witness my hand this 19th day of March 1959.

JOSE LUIS VIVAS,
Director, Translation Division.

[H.J. Res. 1510]

JOINT RESOLUTION No. 2

Joint resolution to propose to the Congress of the United States of America clarifications and modifications of the Puerto Rican Federal Relations Act

Whereas the Commonwealth of Puerto Rico is a creative contribution to the American system; and

Whereas it is a basic characteristic of the Commonwealth of Puerto Rico to develop and perfect itself gradually within its new form of permanent association to the Federal Union; and

Whereas, the Constitutional Convention of Puerto Rico unanimously approved the following in its resolution No. 23: "The people of Puerto Rico reserve the right to propose and to accept modifications in the terms of its relations with the United States of America, in order that these relations may at all times be the expression of an agreement freely entered into between the people of Puerto Rico and the United States of America;" and

Whereas the special commission of this high body charged with consideration of amendments to the Federal Relations Act and the Constitution has held public hearings at which views about the clarification and modification of the part of the compact constituted by the Federal Relations Act have been amply expressed; and

Whereas such hearings point to the advisability of proposing to the Congress of the United States certain changes in the Federal Relations Act in order to clarify the nature of the Commonwealth and to modify its relationship to the Federal Union to the extent that experience shows is feasible and desirable: Now, therefore, be it

Resolved by this legislative assembly:

SECTION 1. To request the Resident Commissioner in the United States to propose to the Congress of the United States of America the following clarifications:

1. The Commonwealth of Puerto Rico should be adequately described in the Federal Relations Act so that it may in no way be classified as a "possession" or "territory".

2. Consistent with the fundamental principle of full local self-government for the people of Puerto Rico, it should be made clear that Federal laws applicable in Puerto Rico shall apply in the same way as they may be made applicable in the several States.

3. The Federal Relations Act should be cleared of all language which may result confusing, inadequate, obsolete or inapplicable.

SEC. 2. To request the Resident Commissioner to propose to the Congress the following modifications:

1. All excise taxes collected in Puerto Rico on articles produced for export to the United States should be imposed by the Commonwealth of Puerto Rico: *Provided,* That if such excises were lower than those imposed by the Federal Internal Revenue laws on similar articles, the Federal Treasury shall collect the difference at the port of entry, so preserving a competitive equality between such products.

2. A means should be provided by which the Commonwealth of Puerto Rico may, at its request, be included in or excluded from United States commercial treaties.

3. An adequate formula should be devised by which the Commonwealth of Puerto Rico may gradually assume, as its resources may warrant, such Federal responsibilities as are compatible with the principle of permanent association.

4. Judgments of the Supreme Court of Puerto Rico should be reviewed by the Supreme Court of the United States in the same manner as are the judgments of the State supreme courts.

5. The debt margin provision, as proposed to the Congress of the United States of America in Joint Resolution No. 1 approved by the Governor of the Commonwealth of Puerto Rico on June 23, 1958, should be removed from the Federal Relations Act.

SEC. 3. Copy of this resolution should be forwarded to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to the Resident Commissioner of Puerto Rico in the United States.

SEC. 4. This joint resolution shall take effect immediately after its approval.

Approved March 19, 1959.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. FERNÓS-ISERN. I am happy to yield to the gentleman.

Mr. SAYLOR. I want to congratulate the Commissioner on his excellent statement. I think the experiment which was tried 7 years ago when Public Law 600 was passed establishing the new relationship between the people of Puerto Rico and the United States is a new concept in world history. I want to commend the people of Puerto Rico for having worked diligently for 7 years trying to perfect their way of life under this new status. I sincerely believe that now is the time for the Congress to take another look at our Commonwealth Act and to correct some of the imperfections that 7 years of experience and growth have shown to be necessary.

Mr. FERNÓS-ISERN. I thank the gentleman from Pennsylvania.

THE MAKING OF A PUBLIC SERVANT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include therein an article by Staff Writer Michael Mok, which appeared in the Washington Sunday Star of March 15, dealing with the career of Mr. Roger Warren Jones, and referring to his splendid accomplishments as a Civil Service Commissioner and in the Bureau of the Budget. I know Mr. Jones to be a very fine man because I worked with him when he was connected with the Budget Bureau.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

(The matter referred to follows:)

OUR NEW CIVIL SERVICE CHIEF—THE MAKING OF A PUBLIC SERVANT

(By Michael Mok)

Roger Warren Jones would have been a college professor if his money had held out.

But he ran out of cash and gave up his studies for a $1,700-a-year temporary Government job.

Last week he was sworn in as Chairman of the Civil Service Commission with the salary of $20,500.

Mr. Jones was born in West Hartford, Conn., on February 3, 1908. He is the son of Henry Jones, a lawyer of some prominence in the typewriter manufacturing town 20 miles west of Hartford.

He attended the Gilbert School in nearby Winstead, Conn., and then followed the family tradition by going to Cornell University. While in Ithaca, he majored in English; found time to manage the Cornell musical clubs, and rose to the rank of battalion commander of the ROTC.

"I was a devotee of organ recitals at Cornell—I don't think they had many I missed," Mr. Jones said. Highest on his list of favorite composers is Bach, but he confesses complete ignorance of modern music.

"I simply don't understand the mathematics of modern music," he said.

WAS ENGLISH TEACHER

After Cornell, Mr. Jones got a job teaching English, history, and military subjects at the Coral Gables (Fla.) Military Academy. He held this post for about a year before moving to New York City, where he became a salesman for the Doubleday Book Co.

There he ran into Dorothy Heyl, daughter of a Bureau of Standards physicist, whom he had known at Cornell. Dorothy was then taking a master's degree at Columbia in library science.

Mr. Jones had entered the book business with an idea of making publishing his career, but:

"One of the things that went to hell in a hand basket during the depression was the book business." This realization took him to Columbia, where he received a master's degree in English while continuing to sell books part time.

He then decided to quit Doubleday to work full time for a doctorate to fit himself for a teaching career.

"I was particularly interested in the contribution of political writing to American literature," Mr. Jones explained. "Starting with the Mayflower Compact, the inaugural speeches, Lincoln's Gettysburg Address—I didn't think anyone had properly evaluated the impact of American political writing on our letters."

THEN THEY RAN OUT OF MONEY

On the 1st of February 1930 he married Dorothy Heyl, and the couple took a small apartment near the university. But they ran out of money, and in the fall of 1932, moved in with his family. Until December 1933, they divided their time between in-laws, while Mr. Jones did the best he could with such things as occasional tutoring jobs.

His first contact with Federal service came on December 12, 1933, when he accepted a 30-day temporary appointment to write a special report for the Central Statistical Board.

This led to a series of temporary appointments with the Board, until Mr. Jones—who began as a CAS–5 (clerical, administrative and fiscal, grade 5)—equivalent to GS–5, then the starting grade for college graduates—began taking examinations.

Before long the Central Statistical Board had become part of the Bureau of the Budget, 15 years had passed, "and all of a sudden I realized I was a career man."

SERVED IN ARMY

In the meantime there were three children: Cynthia, now Mrs. John Hodges, of Cumberland, Md.; Roger, studying for his master's degree in public administration at Cornell; and Edward, currently an airman on active duty with the Air Force in England.

When World War II came, Mr. Jones—then a Reserve infantry captain—was called to active duty, where he stayed for "3 years, 9 months, and 20 days." He spent almost all of this period with the Munitions Assignments Board in Washington and on his return to the Bureau, took up his old duties as a "13" his prewar grade.

He continued to rise, and when the supergrades were established, Mr. Jones moved into that category. In March 1958, he was named Deputy Director of the Bureau of the Budget, at his present salary of $20,500 a year.

"My main job there was to ride herd on the President's executive programs," he said. But when it seemed there was no further for him to go, Mr. Jones felt it was time for a change.

"I wasn't going to sit there until I got bureaucratic barnacles on my hull—so I moved."

Mr. Jones, who is blue-eyed and has white hair the color of a dandelion when it's going to seed, feels that by and large, "career people serve best in staff jobs."

"Chairman of the Civil Service Commission is the sort of common sense, administrative job which appeals to me.

"This is the kind of a job I've been trained to do over a quarter of a century," Mr. Jones said. "It demands a knowledge of government structure, and the sort of contacts I have developed with the executive and legislative branches for a long time."

THE GOOD BUREAUCRAT

Mr. Jones believes that the good bureaucrat—a term he doesn't like, but which he can listen to without flinching—should "avoid extreme partisanship."

"There's nothing wrong with taking sides, but that's not the way I am," he said. "It's possible to perform first-rate staff work without feeling like a political eunuch," Mr. Jones said.

The new Chairman lives with his wife in a Dutch Colonial house in Chevy Chase. Its location was chosen by his children.

"When we were buying it, they were going to three different schools, and they insisted that it be an equal distance from each of them," Mr. Jones explained.

Mr. Jones gets up in his five-bedroom house every morning at 6:30 a.m. His breakfast does not boast much variety.

"Just to show you the sort of rut a man can get in," he said, "three times a week I have cereal, and three times a week, eggs. On Sunday I let myself go, and just have whatever I feel like."

When Mr. Jones, who wears the blue rosette of the President's Award for Distinguished Federal Service in his buttonhole, had to attend breakfasts at the White House, he wasn't at all happy.

"Early morning is a thinking time for me," Mr. Jones said. "I don't dare get started on office work in the evening or I get overstimulated and can't sleep."

LIKES LONG WALKS

He tries to take a long walk every night and on weekends drives to a part of the nearby country he doesn't know, "and just starts walking."

Besides simply puttering, his interests outside his work are few. He tries to keep up with literature, but rereads old favorites rather than looking for new worlds to conquer." He has just ended a tour as vestryman with All Saints Episcopal Church, and Mrs. Jones, now that the children have gone away, is working with the Wheaton branch of the Montgomery County Public Library.

Among Mr. Jones' other interests is the Washington Institute of Mental Hygiene and the United Givers Fund, on whose board of directors he has served.

Somewhat shy about his outside interest, Mr. Jones explained that "when you're a grandfather, you just don't have the energy you once had."

Mr. Jones believes that every civil service employee must live by three rules:

"He's got to remember he's a public servant * * * he must be dedicated.

"He must have complete faith in the Constitution—he must believe in the tripartite arrangement of our democracy, and never feel that any branch is junior to the others.

"He's got to believe that X number of Americans can't be wrong when they elect a President," Mr. Jones said.

"The good staff man—bureaucrat if you like—must develop a lot of expertise about the programs he carries out. Regardless of the political direction of the administration, its leaders should be able to expect a loyal, capable staff."

THE BIG JUMP

Mr. Jones, who has weathered several changes of administration, and showers of interoffice memorandums, feels secure in his roomy office at Eighth and F Streets, although he realizes full well he has made a big jump from staff to command.

Mr. Jones paused for a moment and looked from the snapdragons on his conference table to the picture of the President on the wall.

"For one thing, I know that I can't go popping off with a visceral reaction every time anyone puts a tough question to me now," Mr. Jones said.

"I suppose the Chairman of the Civil Service Commission has to become a sort of a symbol."

A TRAIN OF POWDER

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Speaker, I believe Members of Congress will be interested in reading an impressive and timely sermon delivered by Dr. Theodore Henry Palmquist, pastor of the Foundry Methodist Church in Washington on Sunday, March 15. It is one of the best. I consider it of sufficient importance that Members of Congress and others will want to read it. Here is what Dr. Palmquist said:

During the Lenten season we have been sharing together "The 'Isms' That Crucify Christ"—beginning with "Ecclesiasticism"; then "Nationalism," "Opportunism," "Secularism," and this morning "Militarism." Next Sunday the subject will be "Neutralism"; and Easter morning, "Pessimism," with the text, "Why seek ye the living among the dead?"

Dr. Goodspeed once said that he felt that when Jesus said, "Father, forgive them for they know not what they do," He was referring to the soldiers whose duty it was to crucify Him, to drive spikes through His hands and plunge a spear into His side. They were just carrying out orders—for to obey without question is always the duty of a soldier.

On the 30th day of September, 1938, a lone plane dipped out of the fog and landed at Heston Airdrome in London; and an old man with a black umbrella stepped out of the plane onto the ramp. They handed him a microphone, and he spoke to millions, saying, "My good friends, this is the second time in history that we have brought back from Germany to Downing Street peace and honor." The people cheered because they hated war; they knew its price and longed for peace. For months they had been subject to the battering tension of Hitler and his war of nerves and their spirits were exhausted. But 6 months later they realized that appeasement is not peace. It only made the war more certain than ever.

We are not very different from those who met Sir Neville Chamberlain on that damp and cold night in September 1938; for we, too, long for peace more than anything else in the world—though it must be a peace with some degree of permanence. We know that peace so often has only been the uneasy interval between wars; it's date used to be told by a calendar; now it is clocked by a stopwatch.

We are confronted with an imperialistic program of expansion by leaders who talk of peace and then seize that which can only be obtained through war and threats of war. I think of the man who was called a fool, who stood and watched troops march by—and he asked, "Where do they come from?" And some one said, "From peace." "Where are they going?" "They are going to war." "Why?" "To kill the enemy—burn the cities—and win the peace." And the so-called fool replied: "They come from peace—they go to war to get peace; why don't they stay with peace in the first place?"

In the 44th chapter of Genesis, the 18th to 24th verses, we read a story of sons who were jealous of their brother and sold him into slavery; and he rises to become the ruler of that country. The plague strikes the country where the jealous brothers live, and they come pleading that they may buy corn—not recognizing their brother as the ruler. But he, in turn, recognizes them; and so he says, "You must bring your youngest brother Benjamin with you to prove that you are not spies." And when they went back to tell their father of the requirements, his heart was broken, because he had always believed that the son who had been sold was dead; and now another one of his sons might meet the same fate. So he sent one of the brothers back to interview the ruler and plead for the youngest brother in the family.

There are three sentences in his appeal that I would like to share with you this morning, because I think they give some light on this very difficult problem of militariam. The first, when he says to the ruler, "Ask not for him, seeing that the father's life is bound up in the lad's life." He had caught the contagion of his father's compasion; and he had moved from the contagion of passion and jealousy to the contagion of compassion and love.

Passions go with war; compassion goes with peace. Those who are bound to the passions of war have only three alternatives to offer. They have offered them down through the centuries. First, preventive war. It has often been waged—Germany against Russia—Russia against Finland. They reason and say, "Well, since war is going to come sooner or later it had better be undertaken when we are prepared and when we have the balance of power." In the past years there have been many who suggested that this be our method in dealing with Russia and Red China. But Bismarck once said "Preventive war is like a man who, being afraid of death, commits suicide."

In the second place, those bound by the passions of war offer what they call qualified appeasement. That appears to be largely what happened at Teheran, Yalta, Potsdam—leaving Russia in control of much of Europe and dividing the world by an Iron Curtain,

and leading us into an armament race which may still bring bankruptcy to the whole world.

The third is to quarantine the aggressor. If a nation is not playing fair, and tries to control and swallow its neighbors, it must be recognized as a menace and isolated. This seems to be our method of dealing with Red China. This, of course, brings only temporary and qualified peace, built on a foundation of antagonisms and supported only by power. And in a world where many nations now have the power to destroy our whole civilization, and our weapons are becoming more and more destructive, this is an imposible approach. There is no use to bury the hatchet if you leave the handle sticking out for someone to trip over.

Strange and odd as it may seem, we must move from passion to compassion. That is our only hope. Judah, pleading before Joseph, was turned from hatred and jealousy toward his brother Joseph because of the consciousness of his father's suffering and his father's love. That is true in family relations. How is affection generated in the sons of a family? By mere nearness? Well, then the people in tenement districts of New York and Chicago ought to be very congenial. Those who ride in the New York subways, then, ought to be very close companions. But you know that nearness sometimes only sharpens rivalry.

When a boy goes wrong and the family is dishonored by his deeds, what is the motive for taking him back into the fold? Someone in the family will say, "Remember how mother loved him." So they see the broken brother as the broken-hearted mother would have seen him. So with us. There are so many to whom we must extend the hand of good will—but doing it we must not look at them, but look at God; for we love in order to be worthy children of an all-loving Father.

The view of the world from the street level does not stir affection. We are always looking at our enemies as the embodiment of all the ugly traits in human nature—they are of low breed—they are beastly. We need to get a new concept of who our enemies really are to understand the power of indoctrination to which they have become slaves—to oppose not the man but the evil in man.

So Judah said to Joseph, "The father's life is bound up in the lad's life." The love of the father gave to him a new love for his brother Benjamin.

In the second place, he said, "I will become surety for the lad unto his father." How much we need to do that today—to become a guarantee—surety—for our children, as we work for a better world.

This matter of surety is a sobering business. So many say, "I never go anybody's bond." But a parent does. When he gives a name to the child he underwrites that child; he becomes the guarantor who is responsible. Whatever damage the child may inflict, the parent has to pay. It is so with a teacher. She faces her class which is made up of new creatures, no one child is like another. There are no standardized parts in our universe. Sometimes we say, "You've never seen such a baby." And that is true. When you handle a child you are handling an irreplaceable piece of china. When a teacher or a parent fails, all the world is poorer, because a personality that never can be duplicated is lost.

That was the attitude of Jesus, as He went surety for the human race. At His baptism He accepted responsibility for the welfare of all men and so created Christ's life underwriters, whose attitude is not grudge, but gratitude—guarantee. Abraham Lincoln, in his Gettysburg address, which will live forever, has these well-known lines: "It is rather for us here to be dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave their last full measure of devotion; that we here highly resolve that these dead shall not have died in vain."

The tragedy is that many have died in vain. In the First World War we went out saying that we were going to save the world for democracy—we were going to "fight a war to end war." But we only sowed the seed for the most colossal war in history. In the Second World War we fought for the four freedoms—to lay the foundation of a new international cooperation for justice and peace. But now look at ourselves. We do not know what the day may bring. Did they die in vain? Of course, that is something the living must answer—the dead cannot. We must move from grudges to gratitude to guarantee.

Monday night I spoke in Gary, Ind. The minister there had been very active in the Air Force in the last war. He said, when it was over he came home, and they offered him his same old job. And he said, "No; I must do something more specifically directed toward the building of a better world for my 8-year-old daughter and my 6-year-old son."

There is a cemetery in North Assam where lie buried the American boys who died in India and in Burma. Over the entrance to the cemetery are these words: "Tell them that we gave our todays for their tomorrows." We must do the same. Not grudges, but gratitude and guarantee.

Not passion, then, but compassion—"His life is bound up in the lad's life." That is equally true of God. Not grudge, but gratitude, guarantee—"I will become surety for the lad unto my father." We must express our gratitude by building a better world—"we gave our yesterdays for their tomorrow."

The third, finally, Judah says: "Let me abide as the bondsman to my Lord, instead of the lad; and release him." Judah offers to make good his bond by offering his own life for the lad's life. So many brave words have been spoken about peace in which we have put our trust, but the solemn pledges have not been made good. We need not words but works.

At the signing of the Briand-Kellogg Peace Pact outlawing war they said "Let us dedicate our signatures to those who died in the great war." But before the ink was dry we had moved away from our signatures. Our word was not our bond.

As Christians, then, I suggest:

First. We must contribute a faith that peace is possible. People are always saying, "You can't change human nature—there will always be war." We need a faith that removes mountains, even the mountains of militarism.

Second. Peace is expensive. We think so often that good things are free. I think of the man who went into the drugstore just before the 11 o'clock hour on Sunday morning, put down a 10-cent piece and said, "I want two nickels." And when the druggist gave him the two nickels he said, "I hope you will enjoy the sermon." We sometimes think that good things ought to be free; but I remind you that peace is expensive—but not as expensive as war. World War II, merely in terms of dollars, cost an amount that would have made it possible for us to give every family in the world a 6-room house, fully furnished, with an automobile; and to every town of 5,000 people or more a hospital and a library; and have enough money left over to pay the expenses of all the librarians, all the doctors, all the nurses, for the next hundred years. "Why spend ye money for that which is not bread? Why labor for that which satisfieth not?"

Third. We must cultivate a spirit of national self-criticism. There is nothing inconsistent about loving and also being critical of your country. That's the heart of a real family—a family both loves and is critical one of the other. When love becomes so blind that we cannot distinguish between our virtues and our vices, then, we are much too blind.

Fourth. We must attempt to disassociate as much as possible the patriotic spirit and the military spirit. It is just as patriotic to live for your country as to die for it. It is tragic that too often the patriotic and the military have been bound together in our national traditions—in our songs—in our stories—in our statues—until patriotism has become glorified violence. In France, they built a mighty tomb for Napoleon but only a small statue for Louis Pasteur. Napoleon left a trail of blood and destruction; Pasteur, a trail of healing. I say this in behalf of those who died, that they shall not have died in vain.

Finally, we must enlarge our concept of patriotism. The first patriot was a man who loved his family; then he became part of a clan. He was loyal to both. He became part of a tribe. He was loyal to all three. He became part of a nation. He became loyal to all four. The thirteen Colonies, when they began, were conscious only of their own State, and not of the Nation. But Henry Clay lived to say one day: "I know of no south, north, east, or west, but one Nation under God."

When Edith Cavell was led before the firing squad, she said, "Patriotism is not enough." Love of country must be a door through which we pass into a new appreciation of all humanity. The only wars of tomorrow will be global wars—and they will only be stopped by global concern. "If ye love them that love you, what reward have you? Do not even the publicans the same?"

Not passion, but compassion. Not grudge, but gratitude—guarantee. Not words, but works. Dr. Wallace Petty took a group of college students one time to hear Dr. Kagawa, when he was trying to bring about real healing after the war. They came away, most of them, saying, "Well, I could not understand him very well—he seemed only to be repeating platitudes." Then one boy said, "But did you notice the heavy lenses on his glasses? He has trachoma and is going blind. And he contracted trachoma by sharing with the poor in the city of Tokyo. Let's not forget that." And then he added: "I guess that when a man is hanging from a cross for what he believes to be true he doesn't have to say very much."

We need less talk and more dying for the truth of Christ. Amen.

THE JACKSON FAMILY CASE

The SPEAKER. Under previous order of the House the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, I think it is entirely proper, indeed timely, and, in fact, even emergent that we take a moment from the matters of state and give attention to a subject which takes over the newspaper headlines today. It is the sad restatement of the facts and circumstances pertaining to the murder of the Jackson family, from the time they were forced from their automobile on Sunday, January 11, 1959, until all the bodies were discovered this past weekend.

It is imperative, I believe, that more police be assigned to the job of hunting and capturing the murderer who is still at large—more Federal, State, and local officers.

If the capture of this person, who so coldbloodedly kidnaped and murdered Mr. and Mrs. Carroll V. Jackson and their two little daughters, and crudely

buried their bodies in Virginia and Maryland, is not brought about soon, there is no doubt but that the lives of others may be in jeopardy.

As long as the killer is at large, no man's family and children will be safe. Sufficient officials must be assigned to the case—and now.

History has shown that in times such as these, with so much unemployment and with the morale of depressed persons so low, crime hits the highest peak. We must do all within our power to at least safeguard the lives of the citizens and their families. We owe this protection to the innocent.

CONSERVATION AND WISE USE OF FOREST RESOURCES OF WEST VIRGINIA

Mr. STAGGERS. Mr. Speaker, the economic depression which has fallen so heavily on portions of my State casts a dark shadow over many communities at this Easter season. The southern Appalachian area, particularly the coal-mining centers, shows evidence of deep-rooted economic sickness. In seeking ways to alleviate this situation and contribute toward a permanent solution, conservation and wise use of our forest resources must be recognized as an important factor.

It appears that we have not fully appreciated the important contribution to be made by renewable resources in the form of forests and related natural resources. Our mountains were originally covered with lush stands of spruce, pine, and a great variety of valuable hardwood trees, with high commercial and esthetic value.

Over in the Commerce Department at Washington a special clock ticks off the arrival of a new American every 11 seconds. The rapid expansion of our population along the eastern seaboard emphasizes the growing public dependence on forests in this early settled part of our Nation. Almost 700,000 recreation visits were reported by the Monongahela National Forest in my district last year. As the workweek becomes shorter, and paid vacations more widespread, this use of mountain forest areas will undoubtedly expand.

One of the important features of this program, from the standpoint of West Virginians, is the multiple-use policy under which its resources are administered. Timber from the forest is harvested as a crop under the principle of sustained yield, which guarantees continuing supplies of wood and other forest products. The same forest area is open to the general public for hunting and fishing and thousands of visiting nimrods enjoy these sports on land where they are welcome guests. Areas suitable for public camping, picnicking and swimming are being dedicated to these uses, further enhancing the value of the forest to the public. Watershed values are maintained to provide local communities with clean, clear water suitable for domestic and industrial uses. The result of this multiple-use operation is to bring people and business to the rural areas in and adjacent to the forests, and the local economy is consequently enriched. Often the timber from the national forest serves as raw material for important local industry that provides wages for the residents. One encouraging example of this is in Tucker County where a recently established charcoal plant serves as a market for large quantities of low-grade wood. Removal of this material from the second-growth forest under good conservation practices is, in effect, a thinning and weeding operation and becomes an important step in good forest management.

Thirteen million board feet of timber were harvested on the Monongahela National Forest during the last 6 months of 1958. This brought an average stumpage price of $9.19 per thousand board feet but the total value of harvested timber when processed represents many times this amount. The cutting, hauling, sawing, and conversion to finished lumber, furniture, and other items has provided employment for hundreds of workers. Thus a sustained-yield forest provides a continuing source of raw material with stable employment for dependent people. This is a wholesome influence in any community.

Recently the U.S. Forest Service, in cooperation with State and industry foresters, completed an exhaustive analysis of the Nation's timber situation. The report has been released in a volume entitled "Timber Resources for America's Future." This study, one of the most thoroughgoing of its type ever undertaken, projects the Nation's timber growth and population growth forward to the years 1975 and 2000. It indicates that we face a shortage of timber to meet the needs of our growing country, unless action is taken promptly.

With unemployment in many rural forest areas, it seems logical that preparation to meet this coming shortage is one of the most practical ways in which to put people to work. This would involve a number of steps, some of which could provide immediate employment opportunities. The first logical step would be the development of a forest road system to provide better access to mountain forest areas. This would permit removal of presently available wood and provide for thinning and weeding young forests that are already growing in many areas. It would also provide access for planting idle acres. Timber growing is a long-term basis. In meeting shortages for the year 2000, a tree planted in 1959 is worth far more than one planted in 1999.

Work at the Fernow Experimental Forest in Tucker County, W. Va., indicates that a thrifty, well-stocked hardwood forest can grow 500 board-feet per acre per year. Assuming an average value of $15 per thousand as the value of this timber on the stump, the forest manager will net $7.50 per acre per year from growth in his woodlot. Properly managed, many thousands of acres of West Virginia's mountain forests can be made to yield a profit to the owner plus wages for workers in the woods and in adjacent communities, and under sustained yield, this renewable forest resource can provide raw material for the indefinite future.

The United States, with about 9 percent of the world's forest area, is using about half of the world's timber. In meeting future needs, the United States cannot depend upon massive acreage. We must, instead, utilize scientific management to provide the abundant raw materials we need from our forests.

Under skilled guidance good forest management can help to solve our economic problems in West Virginia, and in other parts of the Nation.

RECESS

The SPEAKER. The Chair is going to declare a recess subject to the call of the Chair, but the bells will be rung 15 minutes before the House reassembles.

Thereupon (at 3 o'clock and 21 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 5 o'clock and 10 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that it may be in order for the conference report on the bill H.R. 5640 to be considered at any time it is filed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 12 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6 o'clock and 14 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 5640) entitled "An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. KERR, Mr. MCCARTHY, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation:

CONFERENCE REPORT (H. REPT. NO. 257)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That paragraph (1) of section 101(a) of the Temporary Unemployment Compensation Act of 1958 (42 U.S.C. 1400) is amended—

"(1) by striking out 'April 1, 1959' and inserting in lieu thereof 'July 1, 1959'; and

"(2) by adding at the end of such paragraph the following: 'Payment of temporary unemployment compensation under this Act to any individual shall be made only if such individual had exhausted all rights under the unemployment compensation laws referred to in paragraph (3) before April 1, 1959, and his first claim under this Act was filed before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks, before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks, and before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks.' "

And the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
EUGENE J. MCCARTHY,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Under section 101(a)(1) of the Temporary Unemployment Compensation Act of 1958 temporary unemployment compensation is payable only for weeks of unemployment beginning April 1, 1959.

Under the bill as passed the House, such compensation was payable for weeks of unemployment beginning before July 1, 1959, but only if the individual's first claim under the Temporary Unemployment Compensation Act of 1958 was filed before April 1, 1959.

The bill as passed the Senate provided that such temporary unemployment compensation was payable for weeks of unemployment beginning before July 1, 1959 (without regard to when the individual's first claim under such act was filed).

Under the conference agreement, payment of temporary unemployment compensation under the Temporary Unemployment Compensation Act of 1958 may be made to an individual for weeks of unemployment beginning before July 1, 1959, but only if such individual had exhausted all rights under the unemployment compensation laws referred to in section 101(a)(3) of such act before April 1, 1959, and his first claim under such act was filed—

(1) Before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks;

(2) Before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks; and

(3) Before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, in accordance with the prior directive of the House, I call up the conference report on the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the conferences on the part of the House bring to the House a conference report which represents largely the bill that passed the House a few days ago. It will be recalled, when the bill passed the House, we extended for a period of 3 months or until June 30 the time within which payments under the TUC could be made for the benefit of those individuals who had exhausted their claims under the State Unemployment Compensation systems prior to April.

Just about the time we were acting, Mr. Speaker, on the bill, I was advised by representatives of the Department of Labor that we had not been as precise as we should have been in the definition of eligibility for these continued payments. It was suggested that we might adopt an amendment in this body in connection with the passage of the legislation. I did not have the time to get the committee together to consider an amendment. This amendment was brought up in the Finance Committee of the other body when that body considered the bill, H.R. 5640, and this more precise definition of eligibility was included. We bring the bill back to the House with the conferees on the part of the House agreeing to this amendment of the other body, which is technical in nature.

The conferees of the other body receded from an amendment subsequently adopted on the floor of the Senate, so that there is this one amendment to the bill as it passed the House. I can assure you, Mr. Speaker, it is a technical amendment. It is required because in some States, it is necessary to wait a week from the time of exhaustion of benefits under the State program before a person can file for benefits under TUC. Thus, under the bill that passed the House, these people who had exhausted their benefits and were eligible for benefits prior to April because of that provision of State law could not file prior to April 1, and thus become eligible for benefits during the extended 3-month period. We thought it fair and equitable that those people should be treated in those States just as they would be treated in other States where they could file for TUC at the time of exhaustion of benefits.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] and others desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the distinguished chairman of the Committee on Ways and Means in urging the House to

agree to the conference agreement to H.R. 5640. The conference agreement includes a Senate amendment which is technical in nature and would merely clarify the eligibility status of applicants for temporary unemployment compensation during the phasing out period. It is desirable that expeditious action be taken on this legislation so that it may be signed into law and become operative. A Senate floor amendment which would have provided a straight 3-month extension of the existing temporary program, without any provision for phasing out, was deleted in conference.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SALES OF TIMBER FROM MILITARY AND NAVAL RESERVATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. ABBITT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ABBITT. Mr. Speaker, on Monday I introduced H.R. 5957, which provides for payments to States for the benefit of local governments based upon the proceeds of sales of timber located on land within military and naval reservations. The bill has been referred to the Armed Services Committee and I have requested the chairman to give the matter early consideration.

This is a general bill and would apply to timber sales from any Army, Navy, Air Force, or Marine reservation in the country.

I believe that such legislation is needed as a means of returning to the localities some of the great losses they have suffered by decreased tax revenues as a result of vast Government holdings for military purposes. The language of the bill follows that used years ago in providing for the same type of distribution of timber receipts from sales within the national forests. The precedent established in that legislation can well apply here and I believe it is only just and proper that it do so.

Few Americans, I am sure, realize what a vast acreage the military agencies hold in this country. Millions of acres are being used for various purposes—and, more importantly, countless acres are lying virtually unused because of deactivation. Yet, it is from these deactivated reservations that often timber is cut. The counties wherein these reservations are located are in the position of not being able to return the lands to the tax rolls because the Government claims they are necessary for possible mobilization requirements; yet they see timber being cut and profits being made from it.

It seems to me that it is only fair that the counties or other political subdivisions share in these proceeds. My bill would provide for this.

Although I could cite many instances, I am most familiar with the situation in my own congressional district, where Camp Pickett is situated. Camp Pickett covers an area of some 45,000 acres. This is divided among three of our counties—Nottoway, Dinwiddie, and Brunswick. When Pickett was built, the Government took 25,432 acres in Nottoway County, 13,246 acres in Dinwiddie County, and 6,990 acres in Brunswick County. All of this was productive land and was listed on the tax rolls of the respective counties. The purchase price was $1,181,405.

Now this land is lying virtually unused; the Government will not release it; and there is little likelihood of its being utilized to any great extent in the foreseeable future. The counties thus are deprived of tax revenues and the situation is pressing when the governing bodies of these areas must meet expanding needs with their base of revenue depleted. I assume the same situation could be found in many other places in the country.

I trust that this bill will be given full attention and that something can be done during this session to correct the situation.

GREEK INDEPENDENCE DAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, March 25 of the year 1821 is a grand and glorious landmark in the long history of the Greek people. On that day, 138 years ago today, a band of brave and courageous Greeks rose in revolt against their Ottoman oppressors and proclaimed their national independence. After suffering for almost 400 years under the tyranny of the Turks, they thus successfully attained their goal. In the ensuing life and death struggle, which lasted more than 6 years, they fought against formidable odds, often their backs to the wall. Finally, with the aid of their friends and sympathizers, they brought independent Greece into existence in 1827.

Since then Greece has had more than its share of misfortunes and miseries, especially during the two world wars. During the last war, and the years following the end of that war, Greeks came perilously close to losing their independence. When all of her neighbors in the Balkan peninsula were ruthlessly victimized by Soviet communism, Greece remained, thanks to the British and American aid, the lone outpost of freedom and independence in the entire Balkan area. Today she is a strategic bastion of the free world against communism. On this 138th anniversary let us all hope that she will face all dangers threatening her with firm determination and courage that have characterized Greeks throughout their long and glorious history.

THIRTEENTH ANNIVERSARY OF THE STRATEGIC AIR COMMAND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, the Strategic Air Command, known by its clipped designation, SAC, is the long range nuclear striking arm of the United States Air Force.

The 8th Air Force Headquarters are located in my district at Westover Air Force Base in Chicopee Falls, Mass. The 8th Air Force is an integral part of our defense and attack force. It projects, not only the eastern seaboard of this Nation but performs its strategic part in preserving the peace of the world.

Mr. Speaker, I personally know some of the team that constitutes the 8th Air Force. I make it a point to visit the Westover Air Force at frequent intervals and to witness the work that is done there. I can attest to the dedication of both military and civilian personnel that makes this great air base so important a part of the country's defense posture and its strength.

The value of SAC is recognized by the entire free world. Sir Winston Churchill's words sums up the respect that the world has for SAC:

> The United States Strategic Air Command is a deterrent of the highest order and maintains ceaseless readiness. We owe much to their devotion to the cause of freedom in a troubled world. The primary deterrents to aggression remain the nuclear weapon and the ability of the highly organized and trained U.S. Strategic Air Command to use it.

Mr. Speaker, I congratulate SAC on its 13th anniversary. May SAC continue to preserve the peace through the maintenance of a combat ready force of poised strategic air power.

Under unanimous consent to extend my remarks in the body of the RECORD, I include an article that appeared in the Springfield, Mass., Daily News on March 19:

> SAC'S 13TH ANNIVERSARY TO BE MARKED SATURDAY—COMMAND LEADER GEN. T. S. POWER ALSO OBSERVING START OF 31ST YEAR AS COMMISSIONED OFFICER
>
> WESTOVER AIR FORCE BASE.—The Strategic Air Command celebrates its 13th birthday Saturday and its leader, Gen. Thomas S. Power, this month enters his 31st year of service as a commissioned officer.
>
> General Power took command of SAC—this Nation's most potent deterrent force—in August 1957. The high leadership came after a distinguished service and combat

record beginning when he was commissioned a second lieutenant in February 1929.

SAC got its start in March, 1946 at Bolling Field, Washinton, D.C., and Gen. George C. Kenney, World War II chief of Far East Forces was made commander. He was followed by colorful Gen. Curtis E. LeMay, who stepped up a rank in the Air Force hierarchy and was succeeded by General Power.

General Power first saw combat flying with the 304th Bomb Wing in North Africa and Italy. He later was made bomb wing commander of the 314th Bomb Wing and moved his fleet of B–29's to Guam as part of the 21st Bomb Command.

From Guam, General Power led and directed the daring large scale fire raids on Tokyo, March 9, 1945.

General Power was appointed deputy chief of operations for Gen. Carl Spaatz, commander of the U.S. Strategic Air Force in the Pacific.

During the "Crossroads" atom bomb tests at Bikini Atoll in 1946 General Power was assistant deputy task force commander for air on Admiral Blandy's staff.

The concept of SAC as America's global striking force was then taking shape and following other assignments General Power, in 1948, was chosen as SAC vice commander. He worked with General LeMay for 6 years building up the mighty power of SAC.

In 1954 General Power was named commander of the Air Research and Development Command but in 1957 when General LeMay was named vice chief of staff of the Air Force, General Power returned to SAC as commander with four stars.

Under his command are three combat air forces in the United States, three oversea air divisions, and an overseas air force.

In training, SAC uses a unique system. Crews are designated by their proved proficiency. A select crew is tops. There are other classifications—lead crew, combat ready crews, and noncombat ready crews, depending on the degree of training.

In internal SAC affairs, General Power recently told Congress that vigorous action should be taken to: "improve SAC housing, authorize alert pay for SAC crews, provide more spot promotion, improve advancement, and boost base exchange and commissary privileges.

"Serious consideration," he said, "should be given to increase benefits to those crews that are on alert, a monetary benefit, call it inconvenience pay or what."

He also said there should be greater career advancement opportunities. He said it is difficult "to get these men pushed up."

The general reported many of the items in the fiscal 1960 budget will implement his suggestions except in the housing area. The housing program, he said, "is not going as fast as I would like to see it go."

BUTLER COUNTY, KY.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. NATCHER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NATCHER. Mr. Speaker, our family farms are vital to the economy of the United States. We must look to the family farms for food and fiber required by a growing population. Unfortunately, many owners of our small farms still have small net incomes, and by reason thereof it is extremely difficult for them to maintain an adequate standard of living for their families. It is a recognized fact that agriculture must prosper if the Nation is to prosper. The American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy. We have approximately 4,600,000 farms in this country, yet 1.5 million farm families have cash income from all sources of less than $1,200 a year. Since modern farm problems are complex, and changing conditions in agriculture demand constant experiment with policies and programs, there seems no easy answer as to the best method of meeting the challenge in areas of low farm income. But the owners of family-size farms must have their interests fully protected. It is imperative that we save the small farmer, and, in my opinion, one of the most effective ways to accomplish this purpose is by means of the rural development program.

In 1955 the Congress was asked for funds and authority to allow the Department of Agriculture to be of service to rural development programs going forward under State leadership. Under the rural development program we have as our main objectives increased income for small farmers and efforts toward making the land provide a higher level of living; better management of timber resources on farms in order to produce higher income for the owners; credit needs for small farmers and our farm people afforded full information on job opportunities in their immediate vicinities provided it should become necessary for them to supplement their farm incomes; acceleration of vocational training for our young people, and better health services with improved nutrition. These objectives are basic to total economic improvement. Pilot counties were designated in many States. The three such counties in Kentucky are Butler County, Metcalfe County, and Elliott County. In these three pilot counties committees were formed to direct rural development and adapt programs to local conditions. The Federal Government contributes funds for technical aid, credit, and research for the rural development program. Proper rural development programs are accelerating the movement toward more industry, more efficient-size family farms, and the supplementing of income for farm people.

The initial impact of the rural development program has been partly responsible for many improvements in Butler County, Ky. It has aided in many accomplishments, namely, a new health unit, an increase in local employment, erection of three modern buildings on the main street of Morgantown, the county seat, a new post office building to be erected in the near future, construction of new homes and business houses, improvement of roads and schools, a building erected for use as a meeting place for the rural development group, improvements generally in living conditions on the farms and better acceptance and use of farm programs offered throughout the county, as well as overall progress in the city of Morgantown.

The citizens of Butler County, Ky., are convinced that the rural development program is the soundest approach yet devised to gaining long-range economic development and growth in our rural towns and communities. They realize that the program's effectiveness depends on their continuing interest. The business and professional men of Morgantown are to be commended for the part they have played in this program. As leaders in their community, they have given of their time, advice, and experience. And certainly mention should be made of the cooperation of G. Guy Cook, owner and editor of the Green River Republican, and his son, William Cook. Through the medium of their newspaper, these gentlemen have rendered assistance of untold value in the advancement of the rural development program.

The success of the rural development program in Butler County is recognized not only in the Second Congressional District and throughout Kentucky, but has spread far and wide. Paddy Keenan, county agent of County Coven, Ireland, after spending a week in Butler County, wrote a letter to the Green River Republican in which he said:

> Coven lies toward the north of Ireland. It's a county with little other resources except what the land can grow—and the lakes. The lakes are full of fish. * * *
>
> Come to think of it, County Coven, Ireland, is very like Butler County, Ky. Except for one thing. Butler County has something they call a rural development program.
>
> For the past week I have spent the time going around looking at the fruits of this program. I am amazed at the results. I am amazed that a bare 2 years could yield so beautiful a harvest.

Mr. Keenan has well summarized the opinions of representative groups from localities throughout the United States who have visited Butler County. Though formerly designated as a low income county agriculturally, due to recent achievements Butler County is well along the way toward a departure from that category. We have witnessed an example of success so far as the rural development program is concerned, and likewise the citizens of Butler County have set a splendid example of time and effort successfully spent in saving small farms, and their owners from economic downfall.

It was our Founding Fathers who, in signing the Declaration of Independence, were willing to attach their signatures to a dream. Indeed this great country of ours has gone forward because of great leaders who had the conviction of things not seen. The true American dream is prevailing in Butler County—it has been accepted not as an heirloom but as a pronouncement.

BILLIONS FOR OTHERS AND THE "TRICKLE DOWN" FOR OUR OWN CITIZENS

The SPEAKER. Under the previous order of the House, the gentleman from

Ohio [Mr. LEVERING] is recognized for 15 minutes.

Mr. LEVERING. Mr. Speaker, it is painful for me to have to criticize U.S. policies which, in my judgment, work to the detriment of our own people. I would much rather discuss constructive, forward-looking programs which I can debate on their merits.

Yet, as we all know, there are times when we must face up to the facts of an inequitable situation and, if nothing else, exercise the good old American prerogative of complaining about it. There is an old saying: "The squeaking wheel is the one that gets the grease." Another is: "Out of sight, or out of hearing, out of mind."

Just a few short weeks ago, the people of Ohio, Pennsylvania, Indiana, and other midwestern States were suffering from floods. The people of my own 17th District of Ohio had two very tragic situations in the course of the first 2 months of this year, underscoring to them the necessity for planning to work in the sunshine to prevent the harmful, tragic effects of water on the rampage in time of rain or melting snow.

It is not necessary, I think, for me to recount the enormous damages caused in the recent floods in my district, and in Ohio generally. But I hold in my hand a recent leaflet issued by the American Red Cross. It is entitled "Midwestern Floods, January–February 1959," and some of the photographs in this publication are those of people in my own neighborhood of the 17th District.

This publication shows that, through Red Cross alone, a grand total of $2,424,485.97 in disaster relief had to be spent. This figure of $2.4 million, of course, is merely a drop in the bucket as to the total loss suffered by the people of the various areas. When we take into account the furniture that was ruined in thousands of homes, the electrical fixtures and other accouterments of any home that were ruined in the thousands of homes, the houses that actually were washed off their foundations, the roadways that were rutted and gutted, and the business inventories damaged or lost by the swirling waters, we can understand that this emergency, temporary relief spent by the Red Cross is merely a token of the total loss.

It was estimated authoritatively by several careful spokesmen that the damages in Ohio alone ran more than $100 million. This, of course, is not counting the loss of lives—34 in the January flood alone—and the exposure and illness to which many thousands of persons were subjected because they had to flee their homes in bitterly cold weather.

As I have said before the damage caused by water on a rampage is utterly incalculable. But insofar as we can calculate it, the total amount of loss runs into astronomical figures as we know.

Naturally, as soon as the rivers and tributaries began to recede after the January flood, our people went to work to see what could be done to prevent a recurrence of this type of catastrophe.

We were informed, for instance that the flood control measures that had been taken had saved at least $65 million in damage in our area, although, as we all know, the various reservoirs and other flood control measures that have been taken in other years have cost only a fraction of this sum. In other words, we knew that we ought to get busy and to make sure that needed projects are carried out, for we believe that the time to prepare for rain and flood is when the sun is shining.

As I investigated the various flood control areas in Ohio, I came up against the fact that the President has adopted a policy of "no new starts," on such projects.

Accordingly, I wired the President from my district on February 20, asking him to take into consideration the possibilities of further damage to my people and their homes, in case of floods, and urging him to release the ban on new projects which could be undertaken by the Army Engineers.

I received, on March 18, 1959, a letter from Mr. Staats, Deputy Director of the Bureau of the Budget, under the Executive Office of the President, to this effect:

> You may be sure that the flood losses suffered in Ohio and elsewhere are a matter of deep personal concern to the President. The expeditious planning and construction of works to reduce danger from floods are an important part of his program.
>
> However—

And I might say, Mr. Speaker, that it is these "howevers" in the letters we get that throw us many times. Sometimes, it is an "on the other hand" that makes life miserable for us, too. But I continue to read from Mr. Staats' letter—

> However, with the large number of water resources projects placed in a construction status during the past several years, Federal spending for programs of this type will reach the highest level in history during the coming fiscal year. The President, after weighing the desirability of a further acceleration of these programs against the urgent fiscal requirements of national defense and other essential programs, decided that initiation of construction of all new water resources projects should be deferred until after fiscal year 1960.
>
> You urge that funds be made available for the initiation of planning on additional authorized flood control projects. Funds for advance planning on authorized projects are included in the budget as a lump-sum amount. The allocation of funds from this amount to specific projects is made by the Chief of Engineers with the approval of the Secretary of the Army. The extent to which such funds should be used for new planning starts is therefore a matter for determination by the Chief of Engineers.
>
> The President appreciates receiving your views on this important matter and I can assure you that they will be given full consideration in future budgetary recommendations to the Congress.

Mr. Speaker, it is most difficult for me to explain to my people in the 17th District such a turndown from the President, for I am sure that they, who have suffered greatly and know the value of a dollar and the value of their possessions, simply cannot understand why he would reject our pleas for use of our own tax money.

As my people know, the President is putting great pressure on me, and every other legislator on Capitol Hill, to vote to appropriate almost $4 billion—in addition to the billions already available—for foreign aid for fiscal 1960. Just the other day, my people could read in the newspapers about how President Eisenhower, standing with the President of Mexico at Acapulco, agreed to bear a great part of the cost of a new $100 million Diablo Dam on the Rio Grande near Del Rio, Tex. This new international dam, which will supplement the huge Falcon Dam project on the same waterway, will be 250 feet high and 6½ miles long.

As noted, the President does not mind obligating the tax money of the people of my district to be spent to help the Mexicans and the Texans—and there is not anything wrong with the Mexicans and the Texans, in my humble judgment—to the tune of some $50 million, and the administration does not hesitate to pressure us on the Hill to appropriate huge sums for foreign aid, but when it comes to some little projects out in my district, the answer, in a nutshell, is "Thumbs down."

The situation, of course, is not going to rest there. Our people can and will work together to take whatever steps we can to help ourselves. We have been working on plans for a conservancy district. Perhaps in some ways we can help ourselves, and, of course, it always has been our intention to do so. Yet, the fact remains that on the big jobs, we simply must have Federal assistance, for the huge machinery, the huge capital, and the various adjuncts of flood control planning require Army Engineer assistance. It is unrealistic for anyone to think that a local community, by its own efforts, can guard against floodwaters that may originate far from the community itself.

Also, Mr. Speaker, I will be forced to take a long, hard look at the foreign aid appropriations before I vote for any of them, if I do vote in favor of them. The attitude that we should be solicitous of nations far removed from our country, while people right in our heartland are subjected to floods that can be prevented, is inconceivable to me.

It is incredible to me that the President should take a stand on this issue that, in my humble judgment, is so penny wise and pound foolish. The simple truth is this Army engineering work should be carried on apace. It is unbelievable to me that anyone would let a fiscal year, or any other artificial, man-made fiscal device stand in the way of undertaking needy public improvements that can save the people incalculable money, time, expense, and possible suffering.

Such an attitude could be compared only to a bookkeeper in a frontier fort who tells the people that they cannot use any more powder this month to fire at the marauding Indians, since they are already over the budget for the month. Protection against the ravages of nature is elemental good sense. If there are men to do the work, and machinery available, and resources to be used, then, in my judgment, it is inexcusable to delay the work on the excuse that it is not the right fiscal year for it. Nature does not ask us what fiscal year we are operating in before dumping snow, ice, rain, or hail on our land. I find it very hard to believe that men can get so insulated from actualities and realities as not to understand that the people of this country are not interested as much in what fiscal year they are operating as they are in taking the steps necessary to guard them against the hazards posed by floods or other natural disasters. Bookkeepers are useful. But in a time of crisis people do not stop to make entries while they are trying to save the home they have worked a lifetime to build, or to save their children and loved ones.

We must give precedence to people over fiscal years and bookkeeping, and particularly on flood control measures so vital to our people and to our Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. KOWALSKI, from March 26 to April 5, on account of official business, attending the Armed Services Committee visit to Germany.

Mr. COAD (at the request of Mr. SMITH of Iowa), for 2 days, on account of illness.

Mr. WAMPLER, from March 26 to April 5, 1959, on account of official business—Armed Services Committee.

Mr. MAILLIARD, for the week of April 6, on account of official business—official committee hearings in New York.

Mr. CHAMBERLAIN (at the request of Mr. HALLECK), for Thursday, March 26, 1959, on account of official business with the House Armed Services Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FERNÓS-ISERN, for 10 minutes, on today.

Mr. REES of Kansas, for 10 minutes, on today, to revise and extend his remarks and to include extraneous matter.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. HIESTAND, for 60 minutes, on April 13.

Mr. LINDSAY, for 15 minutes, on March 26.

Mr. METCALF (at the request of Mr. ALBERT), for 30 minutes, on Thursday, April 9.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RANDALL and to include extraneous matter.

Mr. RODINO.

Mr. DIXON.

Mr. ALGER in 12 instances.

(At the request of Mr. CHAMBERLAIN, the following Member, and to include extraneous matter:)

Mr. HALPERN.

(At the request of Mr. ALBERT and to include extraneous matter the following:)

Mr. MULTER in two instances.

Mr. SMITH of Iowa.

Mr. BURKE of Massachusetts.

Mr. COOLEY.

Mr. DADDARIO.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 22 minutes p.m.) the House adjourned until tomorrow, Thursday, March 26, 1959, at 12 o'clock noon.

REPORT OF COMMITTEE ON COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, the Mutual Security Act of 1958, chapter IV, section 401(a), requires the Committee on House Administration to publish in the CONGRESSIONAL RECORD, within 10 legislative days after receipt, the consolidated report of each committee of the House using foreign currencies—counterpart funds—during the preceding year. Accordingly, there is shown herein a supplemental report of the House Committee on Armed Services:

MARCH 19, 1959.

Counterpart funds

REPORT OF COMMITTEE ON ARMED SERVICES

Foreign currency and U.S. dollar equivalents expended between July 1, 1958, and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Gratuities		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Austria	Schilling	1,160	46.00	3,020	118.00	2,506.50	100.00	1,086.50	41.00			7,773.00	305.00
Belgium	Franc	3,400	68.00	10,359	205.18	12,112	241.44	1,250	27.80			27,121	542.42
Belgian Congo	do			5,000	100.00							5,000	100.00
Denmark	Kroner	333.60	49.20	2,970.80	440.84	2,651.40	372.42	688.00	92.04	422.60	57.38	7,066.40	1,011.88
France	Franc	912,051	2,170.94	679,373	1,615.13	743,897	1,769.07	151,692	360.85	291,222	692.16	2,778,235	6,608.15
French West Africa	do			10,000	47.62							10,000	47.62
Germany	Deutsche mark	12,215.98	2,908.47	1,947.78	470.17	3,242.45	780.78	540.43	131.18	915.94	222.31	18,862.58	4,512.91
Ghana	Pound	14/6/9	12.32									14/6/9	12.32
Greece	Drachma	180	6.00	3,561	118.70	5,340	178.00	1,140	38.00	2,202	73.40	12,423	414.10
Italy	Lire	2,722,683	4,367.83	685,913	1,091.40	991,318	1,599.84	176,090	281.75	265,785	428.33	4,841,789	7,769.15
Japan	Yen					9,000	25.00	18,000	50.00	9,000	25.00	36,000	100.00
Hong Kong	Dollar	29	5.00	744	128.92	542	94.17	174	30.00	231	40.00	1,720	298.09
Kenya	Schilling			350	49.43							350	49.43
Morocco	Franc			6,950	15.17							6,950	15.17
Netherlands	Guilder	873.36	229.73	529	138.95	687	180.22	35	9.19			2,124.36	558.09
Norway	Kroner	309.29	38.20	600	87.00	800	116.00	200	29.00	320	52.00	2,229.29	322.20
Philippines	Peso	94.76	47.38	365.74	182.87	216.50	108.25	304.00	152.00	219.00	109.50	1,200.00	600.00
Spain	Peseta	2,860	53.31	27,463	531.00	28,800	728.10	8,790	166.60	5,890	118.00	83,803	1,597.01
Sudan	Pound			12/0/0	34.56							12/0/0	34.56
Sweden	Kroner	1,090	201.82	600	99.00	1,642.60	299.53	325	57.13	320	60.00	3,977.60	717.48
Switzerland	Franc	747.55	173.37	1,832.50	422.73	1,818.05	429.73	389.65	89.70	502	116.74	5,289.75	1,232.27
Taiwan	Dollar			1,298	36.29	946	26.00	182	5.00	182	5.00	2,608	72.29
Thailand	Baht			2,400	114.29	315	15.00	315	15.00	105	5.00	3,135	149.29
Turkey	Lire			414	46.00	401.70	44.64	16.35	1.82	23.25	2.58	855.30	95.04
United Kingdom	Pound	383/0/4	1,063.18	594/6/6	1,673.93	230/8/6	646.05	54/6/6	150.51	142/11/6	399.61	1,404/13/4	3,933.28
Vietnam	Piaster					4,975	69.10	3,530	49.13	2,520	35.00	11,025	153.23
Total			11,440.75		7,767.18		7,796.34		1,804.70		2,442.01		31,250.98

CARL VINSON,
Chairman, Committee on Armed Services.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

761. A letter from the chief Scout executive, Boy Scouts of America, transmitting the 49th Annual Report of the Boy Scouts of America for the year 1958, pursuant to the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America, and for other purposes" (H. Doc. No. 101); to the Committee on Education and Labor and ordered to be printed with illustrations.

762. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended"; to the Committee on Agriculture.

763. A letter from the Assistant Secretary of the Interior, transmitting a report certifying that an adequate soil survey and land classification has been made of the lands to be served by the Collbran project, Colorado, under the change in development plan, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

764. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor"; to the Committee on Interior and Insular Affairs.

765. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes"; to the Committee on Interior and Insular Affairs.

766. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill to amend the Canal Zone Code by the addition of provisions relative to the certification of public accountants, and the regulation of their practice"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 216. Resolution to amend House Resolution 93, without amendment (Rept. No. 253). Ordered to be printed.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2493. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the Pueblo of Santo Domingo; with amendment (Rept. No. 254). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee of conference. H.R. 5640. A bill to extend the time during which certain individuals may continue to receive temporary unemployment compensation (Rept. No. 257). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2100. A bill for the relief of John F. Carmody; with amendment (Rept. No. 255). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 322. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 256). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 6032. A bill to bring employees of Agricultural Stabilization and Conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954; to the Committee on Post Office and Civil Service.

By Mr. ADAIR:

H.R. 6033. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. BELCHER:

H.R. 6034. A bill to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma; to the Committee on Armed Services.

By Mrs. BOLTON:

H.R. 6035. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. BROOMFIELD:

H.R. 6036. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. CHIPERFIELD:

H.R. 6037. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. DENT:

H.R. 6038. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

H.R. 6039. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 6040. A bill to provide for the discontinuance of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. DIXON:

H.R. 6041. A bill to extend for 6 years the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. DORN of New York:

H.R. 6042. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

H.R. 6043. A bill to encourage the development and expansion of privately owned tramp shipping operations under the United States flag, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 6044. A bill to eliminate discriminatory employment practices on account of age by contractors and subcontractors in the performance of contracts with the United States and the District of Columbia; to the Committee on the Judiciary.

By Mr. EVINS:

H.R. 6045. A bill to change the name of Kentucky Lake to Kentucky-Tennessee Lake; to the Committee on Public Works.

By Mr. FLYNN:

H.R. 6046. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 6047. A bill to amend the National Cultural Center Act to provide that the building to be constructed for the performance of symphonies and operas shall be named the Woodrow Wilson Memorial Hall and to provide for a library of the performing arts, and for other purposes; to the Committee on Public Works.

By Mr. HOLLAND:

H.R. 6048. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

By Mr. HUDDLESTON:

H.R. 6049. A bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

By Mr. IRWIN:

H.R. 6050. A bill to amend the National Cultural Center Act to provide that the building to be constructed for the performance of symphonies and operas shall be named the Woodrow Wilson Memorial Hall, to provide for a library of the performing arts, and for other purposes; to the Committee on Public Works.

By Mr. JACKSON:

H.R. 6051. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. JONES of Alabama:

H.R. 6052. A bill to amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to provide for the extension of the automatic preservation of acreage history provision, with certain modifications; to the Committee on Agriculture.

By Mr. JUDD:

H.R. 6053. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. KARTH:

H.R. 6054. A bill to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes; to the Committee on Ways and Means.

By Mr. KASEM:

H.R. 6055. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. KING of Utah:

H.R. 6056. A bill to extend for 6 years the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. MERROW:

H.R. 6057. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. MOORE:

H.R. 6058. A bill to provide for the expansion of the national cemetery at Grafton, W. Va.; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

H.R. 6059. A bill to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, of such Department, and for other purposes; to improve the management of the activities to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H.R. 6060. A bill to amend the so-called Buy American Act to provide that the Congress shall have the right to disapprove certain contracts entered into by agencies of the Federal Government for the purpose of acquiring articles, materials, or supplies from abroad; to the Committee on Public Works.

By Mr. OLIVER:

H.R. 6061. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they serve during a period of war or of armed hostilities; to the Committee on Veterans' Affairs.

By Mr. PELLY:

H.R. 6062. A bill to require that each civilian employee of the Federal Government in any reduction in force shall be granted opportunity of filling any vacant position of the same grade in his agency for which he is qualified; to the Committee on Post Office and Civil Service.

H.R. 6063. A bill to amend the Federal Reserve Act to authorize the establishment of 13 Federal Reserve districts; to the Committee on Banking and Currency.

By Mr. PIRNIE:

H.R. 6064. A bill to authorize the Commandant of the Judge Advocate General's School to award appropriate degrees and credits; to the Committee on Armed Services.

By Mr. REES of Kansas:

H.R. 6065. A bill to provide additional civilian positions for the Defense Department for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H.R. 6066. A bill relating to the deduction for income tax purposes of contributions to charitable organizations whose sole purpose is making distributions to other charitable organizations, contributions to which by individuals are deductible within the 30 percent limitation of adjusted gross income; to the Committee on Ways and Means.

By Mr. SHELLEY:

H.R. 6067. A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $2,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman; to the Committee on Merchant Marine and Fisheries.

H.R. 6068. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Education and Labor.

By Mr. SMITH of Iowa:

H.R. 6069. A bill to amend the Fair Labor Standards Act of 1938 so as to increase from $1 to $1.25 the minimum hourly wage prescribed by section 6(a)(1) of that act; to the Committee on Education and Labor.

By Mr. TOLL:

H.R. 6070. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 6071. A bill to require that each civilian employee of the Federal Government in any reduction in force shall be granted opportunity of filling any vacant position of the same grade in his agency for which he is qualified; to the Committee on Post Office and Civil Service.

By Mr. BREWSTER:

H.R 6072. A bill to amend section 854 of title 10, United States Code (art. 54 of the Uniform Code of Military Justice), to provide for a verbatim transcript of the proceedings of the trial in all general and special courts-martial; to the Committee on Armed Services.

By Mr. FOLEY:

H.R. 6073. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRADEMAS:

H.J. Res. 325. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

By Mr. RAINS:

H.J. Res. 326. Joint resolution proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public schools; to the Committee on the Judiciary.

By Mr. RODINO:

H.J Res. 327. Joint resolution relating to the Italian American War Veterans of the United States, Inc., under certain laws of the United States; to the Committee on Veterans' Affairs.

By Mr. SHELLEY:

H.J. Res. 328. Joint resolution to authorize the reimbursement of not more than two employees in the office of each Member of the House of Representatives for travel to the Member's congressional district, and to authorize payment of additional mileage allowance for Members of the House of Representatives; to the Committee on House Administration.

By Mr. DOYLE:

H. Res. 225. Resolution to print as a House document a pamphlet containing a biographical sketch of each signer of the Declaration of Independence and the Constitution of the United States, and to provide for printing additional copies; to the Committee on House Administration.

By Mr. POWELL:

H. Res. 226. Resolution expressing the sense of the House of Representatives with respect to the struggle of the African peoples for independence and nationhood, and recognizing April 15, 1959, as African Freedom Day; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to requesting a continuation of brand inspections by the Texas and Southwestern Cattle Raisers Association which affords a feeling of security to all cattle and livestock owners in the State of Texas; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to requesting the Secretary of the Interior to direct a careful examination of the Texas Trans-Pecos area and the consequent location of one of the five facilities mentioned at Pecos, Tex.; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H.R. 6074. A bill for the relief of John Thompson; to the Committee on the Judiciary.

By Mr. BAKER:

H.R. 6075. A bill for the relief of Ikram Yusuf Dughman; to the Committee on the Judiciary.

By Mr. BENTLEY:

H.R. 6076. A bill for the relief of Gilbert Coty; to the Committee on the Judiciary.

H.R. 6077. A bill for the relief of Elmer Rusch; to the Committee on the Judiciary.

By Mr. BREWSTER:

H.R. 6078. A bill for the relief of Mrs. Socoro Vazquez Pena; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 6079. A bill for the relief of Lem Hong and May Hong; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 6080. A bill for the relief of Forrest E. Decker; to the Committee on the Judiciary.

By Mr. McINTIRE:

H.R. 6081. A bill for the relief of M. Sgt. Emery C. Jones; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.R. 6082. A bill for the relief of George Louis Richard, also known as Georges Louis Khattar; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 6083. A bill for the relief of Mary V. Jones; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H.R. 6084. A bill for the relief of J. Butler Hyde; to the Committee on the Judiciary.

By Mr. TABER:

H.R. 6085. A bill for the relief of Najla Malti, Hanna Malti, Fadwa Malti, Constantin Malti and Marie Malti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

134. By Mr. DOOLEY: Resolution of the Westchester County American Legion, Department of New York, opposing any trade concessions or increase in trade with the Soviet Union; to the Committee on Foreign Affairs.

135. By Mr. KASEM: Petition of Federal civil service employees from the 25th District of California, petitioning passage of an equitable subsidized health and hospitalization insurance program as embodied in H.R. 726 and H.R. 764; to the Committee on Post Office and Civil Service.

136. By the SPEAKER: Petition of the city and county clerk, Honolulu, T.H., expressing sincere appreciation for having voted to admit Hawaii into the sisterhood of States; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Jefferson-Jackson Dinner Address by Hon. Thomas J. Dodd, of Connecticut

EXTENSION OF REMARKS
OF
HON. JOHN O. PASTORE
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD remarks made by the Senator from Connecticut [Mr. DODD] at the Jefferson-Jackson Day dinner on March 19, 1959, at the Statler Hilton Hotel in Hartford, Conn.

The people of Connecticut were truly honored to have such capable and efficient speakers on this outstanding and memorable occasion. Among these outstanding orators were numbered our own majority leader, LYNDON JOHNSON, and the junior Senator from Connecticut [Mr. DODD].

There being no objection the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. THOMAS J. DODD AT THE JEFFERSON-JACKSON DAY DINNER, MARCH 19, 1959, STATLER-HILTON HOTEL, HARTFORD, CONN.

I will be brief tonight because we all want to hear LYNDON JOHNSON. First of all, I wish to express my gratitude to Senator JOHNSON for making the sacrifice that he has had to make in order to be here with us tonight.

It is not an easy thing for the majority leader of the U.S. Senate, in the midst of a busy legislative week, to add extra hours to his day to help make this happy occasion for Connecticut Democrats a successful and memorable one.

ONE OF HISTORY'S GREAT SENATORS

This willingness to make an extra effort, this self-sacrifice for the good of our party, are two of the qualities that have made LYNDON JOHNSON one of the truly great Senators in American history.

I do not say this lightly. I believe that LYNDON JOHNSON is in the tradition of six or eight truly great Senators of American history. In recent years he has carried a burden that no other Senator has ever carried.

FACED WITH DANGER

In 1953 the Democratic Party was faced with a great danger. For the first time in 20 years we were without a President in the White House to give leadership and unity to our party.

We had lost a crucial election after a campaign against us that was marked by bitterness, slander, and misrepresentation. Many feared that we would reply in kind, following the doctrine of "an eye for an eye and a tooth for a tooth." Many feared that we would act in the spirit of blind opposition that so often characterized our opponents in previous years. Others feared that we would lapse into irresponsibility, drift, and sectional division. But none of this happened. And one of the main reasons it didn't happen is that we had a leader in the U.S. Senate who, through the tireless exercise of all the skills of political leadership welded our party together, chartered a course of progress and constructive action, and let us along the path of responsible opposition that put patriotism above partisanship.

SHOULDERS GREAT RESPONSIBILITY

LYNDON JOHNSON today is shouldering a greater responsibility than any legislative leader in our long history.

In a time of continuing national and international crises, we have a national administration that too often seems tired, weary, and unequal to the task. Therefore, more and more the mantle of leadership has fallen upon the majority leader in the Senate. And he is meeting this challenge with a masterful leadership that has no parallel in the annals of the Senate.

TIME FOR PROGRESS REPORT

This is the first time that Connecticut Democrats have gotten together at an occasion like this since shortly after our great election victory of last November.

You have all been following the remarkable performance which our party is making on the State scene. And tonight I would like to take a few minutes to make a report to you on how we are meeting our campaign promises on the national scene.

Normally at this stage of the legislative year, only 2 months since the opening of Congress, there is very little to report. Normally at this time of year no major bills have been acted upon. Normally legislation is still in the bill drafting stage, or in the committee stage.

But these are not normal times. Last year we promised the people of this country prompt and vigorous action on many fronts. How are we fulfilling that promise?

PROMISES AND PERFORMANCE

We said that we would pass a housing bill that would bring us much closer to our goal of a decent home for every American—and we have done it.

We said that we would move ahead in clearing away the Nation's slum areas and getting the urban renewal program in high gear—and we have done it.

We said that we would provide a system of airports and air facilities equal to our national need in this jet age—and we have done it.

We said that we would add another star to our flag, the bright star of Hawaii—and we have done it.

We said that we would carry forward programs of loans for needed economic development all over the world—and today we did it.

We said that we would lay before the American people the grim facts of our national military posture—and we are doing it.

We said that in vital matters of foreign policy we would stand shoulder to shoulder with the President of the United States and present a firm and united front against Communist tyranny—and we are doing it.

We said that we would put through a great nationwide program that would revitalize depressed areas and put regions of chronic unemployment back on their feet—and next Monday we are going to do it.

JUST THE BEGINNING

And this is just the beginning.

We are going to see to it that our military leaders have the weapons they need to protect our freedom.

We are going to pass a foreign aid bill that is worthy of a country of our wealth, our ideals, and our moral values.

We are going to pass a Federal aid to education bill that will take a giant step toward the kind of education that America needs if it is to preserve its world leadership in this space age.

We are going to pass a labor bill that will drive the racketeers and hoodlums out of the labor movement and help organized labor to be what the overwhelming majority of its leaders and members want it to be: Clean, dedicated, and progressive.

We are going to continue the progress in the field of civil rights that we started with the Civil Rights Act of 1957.

I say these things not out of vague hope, but out of confidence and conviction.

ON THE MARCH

The Democratic majority in the Senate and the House of Representatives is on the march, all along the line. We are determined to face up squarely to our Nation's problems and to meet them head on. We have the leadership, we have the will, and we have the votes to give the people of this country a record of achievement that will dwarf anything in its past history. And we are going to do it.

When I stand before you a year from now at our next Jefferson-Jackson Day dinner, I will be able to tell you that these things have been accomplished.

THE TASK AHEAD

I think that on an occasion like this we can be excused for a little pride in our own party, to which we have devoted a great portion of our lives. I think we can be excused for blowing our own horn a little tonight.

But tomorrow and in the weeks and months ahead let us all remember the great trust that is reposed in us, the great responsibilities we all share, the staggering burdens we must carry in our State, in our country, and in the world.

And, humbled by the dimension of this task, let us do the very best we can to write a record that will stand to our credit, and to our party's credit, in the history books of free men in distant generations.

This task is not a partisan one. Our goals have been shared by great leaders of both parties throughout our national history. And so it is not inappropriate on this celebration in honor of Jefferson and Jackson to quote the words of a great Republican President, Theodore Roosevelt, who spoke for today as for his own era when he said: "We see, across the dangers, the great future and we rejoice as a giant refreshed, as a strong man, girt for the race. The greatest victories are yet to be won, the greatest deeds yet to be done. * * * There are in store for our people, and for the causes we uphold, grander triumphs than have ever yet been scored."

So-Called Fair Trade Is Unconstitutional

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the Fair Trade Act (H.R. 1253) violates free enterprise by limiting or eliminating competition. The manufacturer can set prices on the sale of his product by the retailer, providing that Congress sets aside the antitrust law. This in itself is strange since the purpose of antitrust law is to protect businesses and con-

sumers by preventing price conspiracies. Fair trade has been called unconstitutional by many States. Now the question facing Congress is the question brought up by fair trade. Can Congress constitutionally delegate power to private persons, granting to a certain class of citizens privileges not equally given to all citizens. The constitutionality of the act has never been squarely tested in the Supreme Court.

Maybe it is time we stopped letting the Court interpret and define our intent. Let us reaffirm our belief in free enterprise and antitrust protection—not accept price fixing and the planned economy of H.R. 1253, the so-called fair trade bill.

Address by Secretary of Agriculture Benson at Cornell University's Annual Farm and Home Week Meeting

EXTENSION OF REMARKS
OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 25, 1959

Mr. KEATING. Mr. President, I have consistently supported proposals looking toward greater flexibility in Federal farm programs and toward greater freedom for our farmers. The people of this Nation look with more and more disfavor upon the huge cost of our present farm subsidy program. I am convinced that the farmers of America are as anxious as anyone to get the Government off their back and to operate in a free economy to the maximum extent possible.

Secretary Benson yesterday delivered a most timely address on farm problems at Cornell University's annual farm and home week meeting. I was particularly impressed by his reference to the results of a poll of farmers all across the land just completed by a national farm magazine. The results of this poll showed that 55 percent of our farm population want no supports, no controls, no floors, free market prices; get the Government clear out, while only 22 percent wanted more Government price help. These views should not be ignored by Congress in considering new farm legislation.

Mr. President, I ask unanimous consent that the text of Secretary Benson's excellent speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON, ANNUAL MEETING FARM AND HOME WEEK, CORNELL UNIVERSITY, ITHACA, N.Y., MARCH 24, 1959

I feel most deeply honored and privileged to be with you again on the occasion of your farm and home week. And yet my job in being here is mingled with a certain regret. In extending his invitation Dean W. I. Myers reminded me that this would be the last farm and home program that he would plan as dean of the College of Agriculture here at Cornell. I am sure I speak for all of us when I say that the prospect of Dean Myers' retirement cannot help but fill us with a sense of impending loss.

He is truly one of the outstanding agricultural leaders in the history of this land. Nearly all of his life has been devoted to agriculture. He has been teacher, researcher, administrator, Government official, and adviser. But above all, he has been, and he is, a farm man, and a man loved and honored by farmers. Since 1953 Dean Myers had been chairman of the National Agricultural Advisory Commission, and I can personally testify that he has been a tower of strength standing for the best interests of American farmers.

I find it impossible to set down in words all that I would like to say about the devotion, the energy, the intelligence, the untiring zeal of this agricultural statesman in his service to agriculture—yes, and I find it equally impossible to express the gratitude, admiration, and affection which I personally have for him.

My hope, and I am sure your hope also, is that his retirement will not take him away from us but that it will free him for an even broader and equally fruitful service to the cause of American agriculture.

The last time I was here for your annual farm and home week was exactly 5 years ago today—March 24, 1954. What tremendous changes we have seen in these 5 years—what heavy problems have been faced by the Nation and the Nation's agriculture.

I can think of no better place to make a frank appraisal of our challenges and opportunities in agriculture than here on the campus of this great land-grant university from which so many distinguished leaders have come.

There are many approaches to most problems—but few solutions. Sometimes solutions can be reduced to a formula. Is there a formula which can help us solve our farm difficulties? I know this is an oversimplification, but someone recently suggested to me a broad formula which might be expressed like this: Necessity, plus sound economics, plus constructive politics, equals the solution to the farm problem.

Surely there is no question as to the necessity of a solution to the problem. It is no longer merely desirable, it is essential, to do something to reverse the mounting accumulations of farm surpluses of a few crops and the heavy costs which threaten our agriculture with creeping regimentation and contribute to a serious threat against the solvency of our Nation. Let me just give you some dramatic examples of three of the six so-called basic crops on which we urgently need fundamental changes in the old laws.

Wheat is our number one commodity problem. We cannot continue with the old outmoded wheat program as it now exists. Harvested wheat acreage has been cut by over 20 million acres since 1949—yet, under artificial pricing, combined with good weather, we now have by far the greatest wheat surplus in all history.

By July 1960 the carryover of wheat will be about 1½ billion bushels—enough to supply our normal domestic requirements for 2½ years. We will have $3½ billion tied up in wheat alone.

We have spread the wheat belt all over America. Wheat acreage has increased in areas of high cost, while acres have been cut back in areas where production is most efficient. This doesn't make sense.

Tobacco and peanuts are in trouble too. We have the best quality tobacco in the world, but we have been pricing ourselves out of export markets. The world's largest tobacco market used to be in Winston-Salem, N.C. Now it's in Southern Rhodesia in Africa.

Farmers are producing more peanuts than consumers will buy at the prices at which peanuts for food must be supported—note I said must be—under the old obsolete law still on the books.

Equally important, the farm program is costing too much—it is staggering—it is indefensible.

Our total investment in price supported commodities is now $9 billion. It will probably exceed $10 billion by the end of the next fiscal year.

It is estimated that during the next fiscal year we will spend more than $1 billion—one billion dollars—just for storage, transportation, and interest on these Government-held surpluses.

These are facts.

The commodities are there, the investment has been made. No matter how we later dispose of them, whether by sales for cash with an export subsidy, sale for foreign currencies, or by outright donation to needy people, the cost to the taxpayers will be great.

Can any economist or columnist, can any spokesman for agriculture, can any Member of Congress, can any farmer, or any other citizen, deny these facts? I leave the answer to you.

No thinking person can question the necessity for a solution.

Nor can anyone seriously doubt the need for sound economics. It would not seem appropriate for me, on this campus, to discuss the economics of the farm problem with you. You are aware of it, and further you have demonstrated not only an awareness but a determination to help resolve rather than compound the problem.

So we come to the political element. Since Government has assumed responsibility in the economic field of agriculture, the most baffling—and perhaps unfortunately the most powerful factor in this formula—is politics. Any Government is a political system.

It is apparently impossible for a Secretary of Agriculture to deal effectively with the present critical problems of agriculture always on the basis of just necessity or just economics—he must sometimes face up to the politics.

If we are to have sound farm programs, we must have sound politics accompanied by sound economics.

There is nothing disgraceful in the word politics or in the word politician. Politics is the art of government and good politics makes for good government. The very foundation of this Government was a document divinely inspired that was drafted and adroitly handled by politically educated men to become an instrument for freedom. What we must strive for in the political factor of the formula is to have political action governed by the economic facts. And this is where the failures have occurred.

I think it must be admitted that in the past there has been an overemphasis on political approaches to farm problems which are basically economic.

Agriculture must not be sacrificed on the political auction block. Agriculture is neither Republican nor Democrat. It is American.

Let us be candid. Both major parties share responsibility for the situation in which we now find ourselves. But more important is the responsibility for getting to the solution.

No one has more concern than I about the cost of these farm programs. This Secretary of Agriculture has been administering, and is still required to administer, within the straightjacket of outmoded laws the most costly, irrational, hodgepodge program ever patched together. It is the result of 25 years of political attempts to solve economic problems, seemingly with an assiduous determination to pretend that economics does not exist.

Do you think that as a farmer, the son of a farmer, yes, the grandson of a farmer, and

as a former county agent, and now as a spokesman for farmers, I enjoy for one minute the distinction of administering the third largest item in the Federal budget? Of course not.

But be assured, I would not hesitate to defend this program if it were serving the best interests of our farm families and the people of the Nation. The truth of the matter is that these stupendous surpluses and heavy costs are not only sapping the vitals of free agriculture, they are also a threat to the solvency of this Nation.

The Secretary of Agriculture is subject to many pressures and cross fires. Opposition to change—to sound economic solutions to economic problems—has been almost unbelievable. My opponents can't agree on a constructuve solution of the farm dilemma. Really, the only general agreement among my opponents is this: "Let's saddle Benson with all of the ills of agriculture, and especially with the cost of the mess we helped to make for him."

There seems never to be a lack of self-appointed so-called agricultural experts. Sometimes they seem to get away with their strategy of being against everything and everybody, while offering nothing positive or constructive as alternative.

It is this type of disservice to the American people, and particularly to the American farmer, that makes it most difficult to inject common sense into farm programs. This is destructive politics in action.

With smokescreens of distortions and half-truths, those who would shirk responsibility for obvious failures seek to obliterate the facts. But a rising crest of informed and aroused public opinion is beginning to penetrate the confusion.

Throughout this great Nation farmers and other thoughtful citizens know that obsolete farm laws, which produce chaos at great costs, must be changed.

Our farmers deserve sound programs. They have made an immeasurable contribution to our national standard of living—to the point that our people are the best fed, the best clothed, the best housed people in the world.

Our farmers face serious problems that are not of their own making.

Take the cost-price squeeze. Between 1939 and 1952 the index of prices paid by farmers, including interest and taxes, more than doubled. From 1952 to January 1959 the level rose only 4 percent. But the damage had already been done. This has created problems for our farmers that they are powerless to control. It has affected, and will continue to affect adversely, net farm income. I have the greatest sympathy for our farm people. I say we must assist them with sound programs.

If the voices of 20 million farm people in America could be crystallized into one voice, it would, I feel sure, demand more freedom for farmers.

That voice would say:

"Give us more freedom to plant so that we can run our farms efficiently.

"Give us more freedom to market so that we can increase our incomes.

"Give us more freedom to meet our competition so that we can expand our markets.

"Give us more freedom from Government interference so that we may again be independent and self-reliant."

Strong evidence that farmers increasingly want more freedom is found in the results of a poll of farmers all across the land which is just being announced.

One of the largest national farm magazines invited farmers to tell Congress what to do about price-support programs.

In replying to that poll, 55 percent voted for "no supports, no controls, no floors, free market prices; get the Government clear out."

This is a significant increase over the 50 percent who in a similar poll a year ago favored getting the Government out of farming.

Another 15 percent favored emergency supports only "to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price and no production controls."

Another 8 percent wanted adjustment supports "such as 90 percent of the average 3-year market price, permitting gradual adjustment to normal markets and moderate production control when necessary to ease adjustments."

Only 22 percent wanted more Government price help. This breaks down into 14 percent who favor a return to supports at 90 percent of parity or more than 8 percent who asked for production payments.

This nationwide poll showed that 8 out of 10 of the farmers want greater freedom and less Government in farming.

Yes, the voice of the American farmer calls in louder and louder tones for more freedom to act, and less Government interference.

If this is what farmers want what are we waiting for, what is Congress waiting for? We've made our recommendations. Why don't they act?

Farmers recognize that the old basic crop legislation, still on the books, is outmoded and fails of its objective. It has placed ineffective bureaucratic controls on farmers, destroyed markets, piled up surpluses, and imposed heavy burdens on taxpayers. It does not fit the needs of our small farms comprising 56 percent of all our farms.

Despite our repeated recommendations over a period of years, the old program is still in effect on a very few crops with only slight changes. It's certainly not our program. Congress has never permitted our program to become effective. Our program has never really been tried. The present program was devised during the great depression and revised during war and recovery from war. Today we have neither depression nor war.

But we do have a rapidly changing dynamic agriculture, which is undergoing an irreversible, technological revolution. Our farm laws must be revised to cope with current conditions.

In January, the President again recommended to the Congress forthright changes in our farm price supports. He urged that price supports no longer be related to a standard 45 years old, but to a percentage of the average market price during the immediately preceding years.

If the Congress still prefers to keep existing parity standards, the President urged that the Secretary be given discretion to establish the support level for all commodities in accordance with guidelines fixed by law. This is now permitted for all of the 250 commercially produced commodities except for 16 for which supports are mandatory.

Either of these changes would be constructive. Under either course, the surplus could be reduced, the cost cut, production controls relaxed and markets developed. Our farm people could make more of their own decisions. The Government could resume its proper function of promoting farm research, expanding and developing markets, protecting soil and water resources, improving farm credit, and so on. We would help stabilize markets, not price ourselves out of them.

Congress recognized the need for farm program revision last year by passing the Agricultural Act of 1958. This act made some limited changes in the programs for corn, cotton, and rice. Now we need prompt and effective action in behalf of procedures of the other three basic crops, wheat, tobacco, and peanuts.

Wheat particularly is in an extremely critical position.

Either we must clamp down with more rigorous controls on wheat producers than we have ever had before—more controls than Congress has ever been willing to impose—or we must move toward market expansion and greater freedom to produce and compete.

More controls means stopping up the loopholes, increasing the penalty for overplanting, setting acreage and marketing quotas at levels that would balance supply and demand for wheat for dollars.

That is one approach—more controls—more regimentation.

Incidentally, if we followed the formula in the old law the national allotment for wheat this year would be zero, no wheat production at all.

A far better approach, I believe, would be to provide wheat growers with a program that moves toward freedom to produce and compete for markets.

The issue here is not a partisan one. The necessity cannot be denied. The economics is clear. Constructive politics can prevail. The issue is whether or not the Government's role with respect to agriculture is to be one that makes sense.

The American people deserve a program that makes sense. The poll I referred to shows that most of our farmers want it.

We must be on guard, however, lest the difficulties of the present program be used as an excuse to involve agriculture in something worse and in even greater trouble.

One bill now before the Congress is described as a measure under which "excessive and burdensome Federal control on agriculture will be eliminated, and under which American agriculture will be restricted to a free enterprise basis."

The words in this Talmadge-Brannan approach are appealing, but the reality is appalling.

This bill would provide for production payments on the basic crops.

In view of the facts available and the studies that have been made, I cannot see how such a plan can seriously be advocated unless as a political gimmick that might last for another election.

Studies by career economists show the production payment program could cost annually about $5.4 billion, for payments for the basic commodities alone. If expanded to all the major commodities, the cost would be well above $10 billion a year.

Congress refused to adopt such a program when submitted by my predecessor, Secretary Brannan. The scheme would:

1. Require drastic controls of production to keep costs within reason.

2. Limit opportunity of new farmers to enter into the production of these crops.

3. Unless extended to livestock (which would boost the cost even higher) it could create extremely serious problems for livestock, poultry, and dairy producers.

4. It would lead to international repercussions if U.S. surpluses were dumped on world markets.

5. Most fundamental of all, it would make farmers dependent for much of their income on direct payments from the Federal Treasury.

This would be a long step toward a fully socialized agriculture.

All this is not only the farmers' battle for realistic farm programs. It is the battle of every citizen—every businessman, every taxpayer, every housewife, every consumer, every person interested in the future of this country.

Our present costly farm programs contribute to unbalancing the budget—and this contributes to the threat of inflation. That is of utmost concern to every citizen. No Nation can go on indefinitely living beyond its income and cheapening the value of its currency.

I am intensely concerned about this. The course of inflation is subtle. Its ends are destructive. It mounts quietly, almost un-

seen in the short-term view, but it is utterly devastating over time.

The President has called for tight reins on Government spending, and for a balanced budget. He has called upon all of us, as citizens, for self-discipline in our economic actions, both as individuals and as groups. Government alone cannot win the battle against inflation. To win it—and we must win it—will require the united efforts of the American people, business, labor, banking, agriculture, and all economic groups.

Our expanding Federal Government has boosted the average family's tax bill from $120 to $1,600 a year. How much further can we go in this direction?

Many pressures are now being exerted to add more billions to Federal spending in the coming fiscal year, and beyond, billions that can bring on further deficits and inflation.

Contrary to what some people would have us believe, the Federal Treasury is not a bottomless grab bag which never needs to be conserved or replenished. To act as though there is no limit to what the Treasury can spend is an open road to the destruction of private enterprise, and its replacement by a socialistic economy.

I am firmly convinced that most Americans would never turn willingly to socialism. But a great many may unknowingly be led down that road by the lure of Government handouts, of deficit spending, of inflation, to the point where private enterprise is destroyed.

We cannot spend ourselves into prosperity. Nor can we preserve our prosperity and our free enterprise system by following a reckless policy of spending beyond our income in peacetime.

We must have a tax policy which is not confiscatory and a budget policy which prevents inflation. The Nation must have sound farm programs—just as it must have sound banking and finance—and sound wage and price policies.

The necessity for further revision of our farm programs is obvious. The direction in which we should go is clear. The economics of the farm problem are simple.

We need less Government in farming. Quit trying to fix prices unrealistically from which flow the twin evils of production for Government warehouses and Government control of farmers. Emphasize markets, increased efficiency, and competitive selling. Eliminate Government's stranglehold on agriculture.

This is the solution.

Congress must not postpone longer the action needed. The existing, outmoded farm laws must be changed. Until Congress acts, agriculture will be burdened with too much Government, too much politics, and too little commonsense.

The days ahead for America are sobering and challenging. They will demand the faith, prayers, and loyalty of every one of us. Our challenge is to keep this Nation strong—strong economically, strong socially, and above all, spiritually strong—if our way of life is to endure. There is no other way. Only in this course is there safety for our Nation. God grant that we may meet the challenge.

Fair Trade Will Bankrupt Those It Should Help

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, in 1906 the United States brought a civil action to enjoin the National Association of Retail Druggists from conspiring to control the marketing of drugs and proprietary medicines by fixing prices and by blacklisting price cutters. In 1907 this case was ended by consent decree enjoining the further operation of the combination.

Today, the druggists' Washington lobbyists are still at it. I cannot believe the druggists back home understand what is being asked in their name.

Fair Trade (H.R. 1253), we are told, is their legislative need; that Congress must set aside the antitrust protection for businessmen and consumers alike and permit manufacturers to set retail prices by decree, regardless of a free market economy.

All right, forget the consumer. How about the retail druggists or other retailers? This fair trade law supposedly to help and protect them will bankrupt them. How? By holding an umbrella over the big stores, chains, and department stores who can handle their own brand or trademarked items. While the small retailer must sell at the manufacturers' stipulated prices, the big stores can undercut them, free to price as they please.

A further irony, the manufacturer, after setting the price of his trademarked item, can even make the same product for the big merchant who can set his own price below the manufacturer's comparable trademarked item. Of course, at the outset, the manufacturer will do fine; he is protected either way. And the small retailer? He will go broke. The fair trade law would prevent his setting his own prices to protect himself.

Action, Not Talk, in Education

EXTENSION OF REMARKS
OF
HON. WILLIAM J. RANDALL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. RANDALL. Mr. Speaker, we here in America hear a lot to the effect that there is not enough money appropriated for, nor enough emphasis placed upon the education of our youth. There results charges and countercharges being thrown back and forth much like a tennis ball being batted back and forth between two tennis players. Whether these differences in viewpoints will be resolved in this or a subsequent session of this Congress, and whether or not the facts will be so conclusively established that there may come to pass some Federal assistance to the schools of our country without restrictive punitive provisions, no one can foretell. Notwithstanding, there is a sidelight to this whole matter of youth education which came to my attention in the city of St. Louis on Saturday, March 21, 1959, which I think is worth making known by an entry in the CONGRESSIONAL RECORD.

There in St. Louis at a regional conference of delegates of the United Steel Workers of America, involving several States, I witnessed the award of several scholarships by that organization which to me was both a refreshing and a delightful experience.

For the reason that I had not theretofore known of the existence of these scholarships provided by these trade unions and for the further reason I am of the belief there may be many others not advised of this effort by trade unions to make a separate and additional contribution over and above their other well-known efforts in the field of education, I thought it would not be anything but appropriate that the following observation be entered, describing what I saw and heard, and to provide you with a few of the details that may be interesting concerning the plan and its operation as follows:

It is generally recognized that America's trade unions have been in the forefront of efforts to establish and strengthen universal free public education for our children. But not too generally known is the fact that most legitimate trade unions today express a continuing interest in the education of our youth beyond the high school.

A good example of how labor groups help in a meaningful and effective way in the education of our children can be found in the Kansas City area which counts among its residents a substantial number of members affiliated with district 34, United Steelworkers of America, AFL–CIO. This union, for 11 years now, has been making available to the high school graduates of steelworker families an annual scholarship which enables a student to complete 4 years of college or university training. Two such awards in this district are offered every year and the value of these scholarships has just recently been raised to $4,000 for each recipient.

This is not a narrow, highly restricted award. Winners are chosen by an impartial panel of educators from a prominent university on the basis of a competitive examination. Those given the scholarship are free to pursue higher education in any accredited college or university of their own choosing. Furthermore, they are free to select a course of study leading to a bachelors degree in whatever field they desire.

One of the two awards given by this union in 1959 is going to Gary Paul Agin, the 18-year-old son of Mr. and Mrs. George Agin, 6642 Indiana Avenue, Kansas City, Mo., whose score in the examination was among the upper half of 1 percent of all recent college entrants. Young Agin became eligible to compete for the scholarship because his father is employed at the Sheffield Steel Co. in Kansas City and he has been a member of local 13 of this union for the past 22 years.

Indicative of the scholastic aptitude of this young man is the fact that he has an enviable record of achievement as a student at the Southeast High School in Kansas City, Mo. He is a member of the National Beta Club, a national honor society organization, and was a finalist in the national merit scholarship competition. Additionally, Mr. Agin is the editor in chief of his high school annual yearbook "The Crusader." He has also served as president

of the high school debating club and in his junior year at this school was the winner of a University of Washington achievement award. This youngster's interest in worthwhile things extends beyond the school and into the community. He is a junior deacon in the Central Christian Church of Kansas City and a cochairman of the Teen Town Committee, a young people's organization devoted to teenage social activities.

Now that this promising young man has the resources to continue his education he is planning to attend the University of Kansas and major in engineering physics. While the parents of this student would have made any and every sacrifice to secure for their boy a good education, they are doubtful that this would have been possible without the substantial help provided by this generous scholarship. It is a fact that the great majority of those receiving this award would have been unable to continue their education without the financial help accompanying the award.

This is a fine example of labor's deep and abiding interest in the educational welfare of our children, but it is not at all unique. Similar scholarships are offered to high school students in almost every other district subdivision of the union. Moreover, hundreds of smaller but equally important scholarships are provided by local union affiliates of the United Steelworkers of America. Together, these contributions toward the education of our youth represent a very significant and noteworthy step toward the growth and development of our future citizens.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. MULTER. Mr. Speaker, the Byelorussians are one of the lesser known Slavic peoples.

This is partly because they have been intermingled with more numerous and powerful other Slavic peoples, and partly because they have been subjected to the oppressive rule of others. For centuries Russians have done all in their power to assimilate them, and have tried to represent them to the world as Russians. But history shows that the Byelorussians—the White Russians, or Ruthenians, as they are sometimes called—formed a distinct national group in their homeland, east of Poland and west of Moscow, long before the formation of the modern Russian State. Since that event, early in modern times, Byelorussia became part of the Russian Empire.

Czarist Russian rule did not eliminate the Byelorussians as an ethnic group. The more they were oppressed by their Russian masters, the more Byelorussians clung to their ethnic and national ideals, and longed for the day of their independence. This came about in 1918, when the Czarist regime was overthrown. On March 25 of that year the Byelorussian National Republic was proclaimed, with its capital in the historic city of Minsk. Soon it was recognized by the governments of many countries, and it looked as if the new state was to attain sovereignty in historic Byelorussia. Unfortunately the independence thus proclaimed did not last long. Russian Communists attacked and overran it, and in March 1921, Byelorussian independence vanished. Since then some 10 million Byelorussians are living under the oppressive Soviet regime. But they have not abandoned their ultimate goal for freedom and independence. There in their homeland, while working hard under the unfree and almost inhuman Soviet system, they ardently look to the day of their liberation and freedom.

On this 41st anniversary of their independence day, let us all hope for the freedom of Byelorussia and its liberty-loving people.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. RODINO. Mr. Speaker, Byelorussia's modern history is overshadowed by Russian history, because during most of that period the country had become part of Russia, and the Russians have tried to eradicate all Byelorussian traditions and national traits there. But the Byelorussian people, who have had a longer history as a nation than the Russians themselves, were never willing to forego and forget their distinct identity, and they have always wanted to regain their freedom and independence. They had that opportunity in 1918.

In that year, when the detested Czarist regime was no more, and the new Communist regime in Russia was still in its infancy, the Byelorussians regained their freedom and proclaimed the establishmentof the Byelorussian National Republic on March 25, 41 years ago. Then it was hoped that some 10 million Byelorussians, having become sovereign in their historic homeland, would enjoy the fruits of freedom in peace. Unfortunately that was not to be. Early in 1921, before Byelorussians had the chance to consolidate and strengthen their government, Soviet forces attacked and overran the country, and Byelorussia as an independent nation vanished. Since then, for more than four decades these liberty-loving and sturdy Byelorussians are living under the unrelenting rule of Communist Russians. But they have not given up their hope for freedom and independence. They still cherish that noble ideal, and on this 41st anniversary of their independence day, I wish them strength and fortitude in their moral and physical struggle.

A Permanent United Nations Police Force

EXTENSION OF REMARKS
OF
HON. JACOB K. JAVITS
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. JAVITS. Mr. President, on August 8, 1957, the Senate adopted Senate Resolution 15 expressing the sense of this body in favor of the creation of a permanent United Nations police force. Such a permanent U.N. police force has long been the dream of those who seek to firmly maintain the peace.

At the ninth annual conference of national organizations called by the American Associations for the United Nations, on March 10, my distinguished colleague [Mr. KEATING] delivered a significant address on the need for a permanent U.N. police force.

I ask unanimous consent that my colleague's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A PERMANENT U.N. POLICE FORCE

The United Nations, now in its 13th year of existence, continues to be the most effective organization yet devised by man for the maintenance of peace.

The founders of the United Nations hoped that the harsh lesson of World War II would long discourage threats to the tranquility of the world. Sorrowfully, it must be recognized that these hopes were in vain. For while the United Nations has served us well, it has not yet succeeded in completely stamping out the lurking dangers and outbreaks of hostilities.

This organization for peace has accomplished much good, but it must be made to function even better.

One essential step in the process of making the United Nations stronger is the creation of a United Nations police force.

I need hardly remind this audience that the idea of an international police force is not new. It was incorporated into the covenant of the League of Nations. The United Nations charter specifically provides for U.N. armed forces operating under the Security Council and a military staff. Unfortunately, little has been done to implement these provisions.

The principal obstacle to constructive action on this subject, as on so many others, has been the intransigence of the Soviet Union. Last October its delegate to the United Nations announced that any move by the General Assembly to establish a peace force would be illegal and unacceptable. This attitude emphasizes the fundamental division within the United Nations between those nations which desire a stable international order and those which are determined to undermine the peace of the world community by their aggressive actions.

The United States has repeatedly demonstrated its willingness to participate in an international army for peace. The President in addressing the General Assembly last August urged action by the Assembly looking toward the creation of a standby United Nations peace force. And Secretary Dulles has since suggested positive steps for carrying out this plan.

Under the Secretary's proposal, a small planning staff would be created within the Secretariat to develop standby plans for calling into being, deploying and supporting

such a peace force. This planning staff would develop concrete arrangements to facilitate any United Nations decisions to employ its force. These arrangements would be designed to enable the United Nations effectively to meet any crisis with a minimum of delay.

The Congress of the United States also is on record as approving in principle the creation of a peace force. In the last session, a concurrent resolution was adopted expressing the sense of the Congress that consideration should immediately be given by the United Nations to the development, within its permanent structure, of such organizations and procedures as would enable it promptly to employ suitable U.N. forces for such purposes as observation and patrol in situations that threatened international peace and security. I strongly endorsed this resolution as a demonstration of this Nation's willingness to explore all means for preserving world peace, and I am happy to note that it won overwhelming support in both Houses.

The operations and experience of the United Nations Emergency Force in the Gaza Strip demonstrates the purpose a peace force can serve. It also demonstrates the many problems involved in any such undertaking. The Secretary General's excellent report to the General Assembly on the operations of UNEF gives us a significant case history of the use of such a force from which many guiding principles can be derived.

I find myself in disagreement, however, with the conclusion of the Secretary General that the nature of the actual organization required should not be anticipated in advance. In my opinion, the effectiveness of such a force would be enhanced by its establishment on an ever-ready, permanent basis. This is the only way to guarantee its immediate availability in the event of a crisis.

The force must be operated at all times under the strict and direct control of the United Nations. But we cannot afford the delay which would result from bringing it into being only after the outbreak of hostilities and the resolution of all political decisions.

The recent situation in the Near East demmonstrated the tremendous need for a permanent peace force ready to move into action instantly at the request of a member government threatened by outside aggression.

In a world contracted by speedy communications, in a world in which even the smallest nations possess the terribly destructive weapons of modern war, any international disturbance—however localized—can spread like a plague and present an immediate threat to world stability. The only feasible answer to this challenge to the peace of the world is to provide a U.N. force capable of so spreading a U.N. mantle over an embattled state as to inhibit—if not directly to prevent—a coup d'etat, infiltration by indirect aggression, or other untoward pressures from outside the nation, such as we witnessed in the Near East.

A United Nations police force need not be a huge, all-powerful army. It might not number more than 50,000 or 60,000. It might perhaps be found best to establish a firm nucleus at all times centered under one command, with other forces in the individual countries, available upon call.

It is my firm conviction that the smaller nations of the world must form the backbone of any international force. This will prevent the bigger powers running the risk of being dragged into a nuclear conflict which could doom all mankind.

Such an international policy army could not—and should not—fight wars. But a permanent U.N. police force can serve as an effective deterrent to hostilities, could be a focus for the moral opinion of the world, and could serve numerous practical uses in observation, patrol, and guard duty between potentially hostile states. As the Secretary of State pointed out in his address to the General Assembly, "its very presence (would) make visible the interest of the world community in the maintenance of tranquillity."

The possibility of establishing an international police force is a particularly pertinent and timely topic for the troubled times in which we live. Perhaps never before in the history of the world has there been greater need for calm, objective, and broad-minded thought on this possible avenue for helping to achieve a more just and secure international order. We must search with imagination and foresight for the answers to the enigmas of world peace. Today we show too little of either quality—at a time when we stand in desperate need of both.

The time is running short. Each new crisis brings us closer to the potential horrors of a World War III. The next international brush fire may set off that worldwide conflagration if the nations of the world do not rise to the occasion.

A permanent United Nations police force provides a new, decisive means by which the nations of the world which sincerely believe in peace can provide the machinery to quarantine regional conflicts and thus better insure their solution. I urge this great organization, which is dedicated to the strengthening of the United Nations, to work for this goal. It is one of the strong, sure ways of making the United Nations the instrument for peace which all men of good will hope and pray it will become.

The Challenge of the Soviet Economic Offensive

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES

Wednesday, March 25, 1959

Mr. HUMPHREY. Mr. President, on February 12 it was my priviledge to address the Economic Club of Southwestern Michigan in St. Joseph, Mich. The theme of my address was "The Challenge of the Soviet Economic Offensive."

I ask unanimous consent that this address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHALLENGE OF THE SOVIET ECONOMIC OFFENSIVE

Today the world is confronted by a profound crisis, a crisis in which the cherished values of western civilization are challenged as never before.

We hear the word "crisis" repeated again and again in the screaming headlines about Berlin, Iraq, or the Formosan Strait so that we become numb and forget its deeper meaning.

It is perfectly true that there are many crises, but underlying all these specific challenges is a fundemental crisis. Some historians and philosophers have said that our generation is confronted with the greatest crisis of modern times.

The profound and many-sided world crisis is the result of three dynamic and interrelated realities, each of which is pregnant with dangers and opportunities—the challenge of modern technology, the challenge of the revolution of rising expectations, and the challenge of communism itself.

1. The fantastic progress in technological development has put mankind within reach of one of his greatest goals, the elimination of poverty. But this same technology ironically may be mankind's undoing. I need not remind an audience like this of the potential destructiveness of modern terror weapons made possible by new energy and means of transporting energy discovered by science. We should not blame science, but recognize that science is neither a savior nor a demon, but a source of power which can be used for good or ill. The basic problem is political and moral, not technical.

2. We have heard a great deal of the revolution of rising expectations in the economically less developed and politically noncommitted countries of Asia and Africa. The destiny of these people who are striving for or celebrating their independence may determine the destiny of the world within the next generation or two. Not everyone in the free world has grasped the political and moral significance of the ferment in these vast areas, but we can be sure the leaders of the Soviet Union have.

3. The third massive reality is the Communist challenge itself. Modern technology and the upheaval in Asia and Africa would themselves be sufficient cause for a world crisis. But the crisis is compounded by the existence of an aggressive and expansive political religion whose ultimate goal is world conquest. The high priests of world communism prefer to attain their goals without nuclear war if possible. But they have not ruled out either limited or total war if that seems necessary or expedient.

We make a great mistake, perhaps a fatal mistake, if we think of the Communist challenge as exclusively a military challenge, or even primarily a military threat. The challenge of communism is military to be sure, but it is also economic, ideological, political, and, in its deepest sense, it is religious. I say it is religious because the distorted Communist view of man and the world challenges the fundamental precepts of our Judeo-Christian value system.

THE EXPANDING SOVIET ECONOMY

Today I want to confine my remarks to the Soviet economic offensive. But I want to do this within the framework of the many-faceted Communist challenge and the larger world crisis.

It is one of the great ironies of American history that today we are being given a run for our money by the expanding and dynamic economy of a country which only a few short years ago we thought of as backward. This is a spectacle as humorous as the fabled tortoise and hare. Before sputnik streaked across the heaven, we assumed that we were the biggest, the fastest growing, and strongest economy in the history of mankind. And we were. We became smug and complacent. We refused to believe in increasing signs of growth in Soviet technology and productive capacity. The hare would win the race, paws down. We could stop for a short siesta under a sycamore tree and the poor tortoise, weighted down by the hard shell of socialistic controls, would not have a chance.

But while we slept the turtle plodded on, unnoticed and unobserved. Then came Sputnik I and subsequent achievements which proved beyond a shadow of doubt that the U.S.S.R. had made giant technological and economic strides. We were shocked. We were momentarily stunned. But we still did not awaken to the full reality. It was since sputnik that we allowed ourselves the luxury of a recession, and today we are still not out of the woods.

Alas, the race is no longer a race between a tortoise and a hare, but between two hares. But because of our hurt pride, our lack of a sense of urgency, and our deficit in leadership, we are still not running scared.

I would like to put a few facts on the record which if understood and taken to

heart, will help us to run scared. By scared I mean properly afraid, and determined, not hysterical. Here are the facts:

1. We have consistently underrated Soviet economic and industrial achievements. We have underrated their progress in atomic energy, missiles, aircraft production, and even in some areas of consumer production. The sputniks and lunik should have shattered our rose-colored glasses, but even now there are people in Washington who calmly tell us that we are ahead in nuclear energy and the missile race. The Secretary of Defense has himself issued smooth and reassuring words to the American people, words which were characterized by one of our most respected columnists (Joseph Alsop) as "soothing sirup."

Now it's true that the laymen, and this includes most Members of Congress, do not know exactly where we stand in relation to the Soviet Union, in spite of congressional hearings to determine just that. Sometimes the experts disagree. But isn't it the better part of wisdom and valor to overestimate Soviet economic and military strength than to underestimate it? Wouldn't it have been better if the democratic nations would have slightly overestimated Hitler than vastly to underrate him?

2. The Soviet economy is growing at about three times the rate of the U.S. economy. Although accurate statistics are hard to come by most economists believe that the Soviet economy is expanding at a rate of between 6 and 8 percent a year. In contrast the American economy at present is growing at a rate of less than 2 percent. Since 1900 our economy, our gross national product (GNP) has grown at an average rate of 3 percent annually. From 1945 to 1952 it expanded at a rate of 5 percent. Since 1953 the rate has been about 2 percent.

Of course, the Soviet economy is not as big as ours. But the fable of the tortoise and hare is appropriate here too. While the hare takes it easy and permits himself the luxuries of needless recessions, the tortoise transforms himself into a hare. Economists tell me that for a short time last year the combined steel production of the U.S.S.R. and Red China exceeded the steel production of the mighty United States. This fact alone should make us run scared.

3. The Soviet Union manages its economy to serve national goals. The leaders in the Kremlin can slice the national income pie any way they wish, within the limits of endurance set by the long suffering Soviet people. This gives them a great advantage. They can plow back into the economy the capital necessary to guarantee the maximum economic development consistent with domestic and foreign policy objectives. They can channel scarce resources into high priority enterprises such as nuclear energy, missiles, steel, and certain industries producing items for export. They can curb consumer demand by promising better food and larger apartments in the near future. They can get their people to produce guns with the promise that by the end of the present 7-year plan they will be producing both guns and butter.

A good share of the Premier's 8-hour speech at the recent party congress in Moscow was devoted to explaining the goals of the 7-year plan. The overarching goal, he said, was to outproduce the United States of America in the 1970's.

"How," you may ask, "has a totally and centrally planned economy been able to do so much? How could they have gotten where they are without the natural incentives of profit and reward in a free enterprise system like ours in America."

The answer is that years ago the Soviet leaders departed from the orthodox doctrines of Marxism, and copied incentive and productivity ideas from the system they decried.

The Soviet Union does not really practice socialism or communism, but rather a system of state capitalism. The Red Chinese in their communes may not yet have learned this lesson.

THE SOVIET INTERNATIONAL ECONOMIC OFFENSIVE

We have referred to Soviet economic strength and the capacity of Soviet leaders to make the economy serve political purposes. Now let us turn specifically to the Communist international economic offensive in the areas of trade, aid, and investment.

1. The trade offensive: Today there are Soviet trade missions in many capitals of the world, including the capitals of some countries which have never had any trade with the Soviet Union. These missions are quietly negotiating commercial trade agreements. The Soviet Union has surpluses with which to bargain. Even though Russia is still poverty stricken as far as consumer goods are concerned, she is willing to compete in the world market.

Recently I heard a startling story about a Boston importer who purchased some sample microscopes for high school and college use from the Soviet Union. They cost roughly one-fourth of what similar instruments in the United States cost and they were of a superior quality. Perhaps the U.S.S.R. was dumping them; that is, selling them at less than cost. Whether she was dumping them or selling them at an honest price, the problem is serious. We are presented a tremendous challenge from a backward country. Only a few years ago one of America's top Russian experts said that the Soviet Union could not even mass produce bicycles. She has not only mass produced bicycles, and microscopes, but MIG jets, bombers, and perhaps she is now mass producing ICBM's.

We can expect the Soviet trade offensive to increase in tempo and volume in the months and years ahead.

2. The aid and investment offensive: The Soviet Union is an Ivan-come-lately to foreign economic aid. The United States blazed the trail with the mighty Marshall plan and subsequent programs of aid. And yet in this field in which we were pioneers we are being severely challenged. At the very time when many Americans are confused and unconvinced, when the very basis of economic aid is being challenged, the Soviet Union, according to all reports, is winning friends and influencing people through its aid offensive.

Apparently convinced that you "can't buy friends," the U.S.S.R. during the past 3 years has concentrated on capital investment as its major form of foreign aid. She has offered long-term, low-interest loans to the countries of the Middle East and Asia. There are extensive Soviet economic aid projects in the United Arab Republic and in seven south Asian countries—India, Burma, Afghanistan, Ceylon, Indonesia, Nepal, and Cambodia. The Soviets are helping to build a steel mill in India, bridges in Egypt, a cement plant in Afghanistan, a sugar factory in Ceylon, a tire factory in Indonesia and a hundred other projects designed to raise the living standards of these underdeveloped areas. In the past 3 years the Soviet Union has extended more than $1.5 billion in credits. Recently Mr. Khrushchev offered President Nasser aid to build the high dam across the Nile—the same type of aid which Mr. Dulles abruptly withdrew in 1955 and which many observers believe forced Nasser to seize the Suez canal.

The Soviet Union offers its development credits, and the necessary technicians, she claims, without political strings attached. The offer is attractive, and we cannot blame underdeveloped countries for accepting it. In their great desire for economic development, they are reluctant to see the possible political implications of such generously offered help. At the beginning of the Soviet program her interest rates were better than needy countries could get elsewhere. And there were no explicit political strings attached. Further, the Soviet Union seemed to demonstrate with her sputniks that she could make as much technical progress in 30 years as the United States did in 100 years. Some of the people in these areas seem to prefer ruble diplomacy to dollar diplomacy.

The argument that a centrally planned, designed and controlled economy is inevitably and inexorably more powerful and productive than a free economy appeals to peoples who desire economic development, and who have no experience with the political restrictions which go along with Soviet-style planning. Regrettably, the Communist model is appealing. The fear of ideological and political penetration is not real enough to offset the economic appeal. We must do more—and we can.

WE MUST STRENGTHEN THE AMERICAN ECONOMY

These sketchy facts about the strength and growth of the Soviet economy and the success the Soviets have had in using trade and aid as instruments of their international objectives should help us to run scared. But I am afraid that many of us know the facts without really understanding them. We need a new sense of urgency if we are to accept the economic challenge of the Soviet Union to our domestic economy, and to our international economic objectives.

First, let me suggest how we can and indeed must strengthen our domestic economy if we are to meet the challenge successfully.

Our problem is not primarily an economic problem, but a political problem and a moral problem. The economists may not always agree, but in general they know how to increase productivity. The problem is whether we really want our economy to expand, and whether we are willing to take the risks involved.

To oversimplify the issue, and to make comparisons, there are two competing philosophies about our national economy.

The one I would call George Humphreyism—this philosophy holds that the greatest danger to the United States is inflation, perhaps a greater danger than the threat of communism itself. We must at all cost, according to the former Secretary of the Treasury, prevent inflation, even if it means cutting back in our rate of growth, even if it means 4 or 5 million men unemployed and many others underemployed, even if it means that our industrial plants are working only to 75 or 80 percent capacity, even if it means a recession such as the one we recently went through. Unemployment and underproduction are preferable to full employment and high production, according to this theory, because this is the only way to prevent inflation.

Now, we are all opposed to inflation—either of the galloping or creeping variety. I think it is significant that in the past few years, while our economy has remained stagnant, prices have literally soared. The answer to price stability does not lie in economic lag. Growth in the economy is not only desirable and necessary, but consistent with a price stabilization program. Here are some of the things we must consider:

First, and most obvious, the U.S. population is growing by 3 million persons a year, and with our present lag in productivity we can hardly stay where we are.

Second, if we are really going to take the Soviet economic offensive seriously, we must have sufficient production to keep up with her—militarily, scientifically, and every other way.

The President's budget and budget message were obviously influenced by George Humphreyism. I hope that the Democratic Congress will be instructed by a more dynamic and imaginative philosophy—a philosophy which believes in the capacity of a

free economy to be productive without being inflationary.

TOWARD A DYNAMIC ECONOMIC OFFENSIVE

In the area of foreign economic policy the administration, partly in response to the Soviet challenge, is taking some steps in the right direction, but the escalator of history may be moving more rapidly in the other direction. We should build a stronger economy at home in order to do what necessity and prudence demand abroad. Our highly productive economy, even in its present less-than-dynamic state, makes it possible for us to do more than the administration wants us to do. Our position of leadership of the free world places upon us a moral responsibility commensurate with our power and wealth.

I would like to suggest a three-point program for strengthening our present economic offensive in the world, a program designed to do what we are best qualified to do.

1. Increase the flow of trade with other countries: Most economists agree that the free world would be strengthened by the lowering of trade barriers among nations. They also believe that the U.S. economy as a whole will benefit from freer trade, although they know that some industries will suffer. But as Adlai Stevenson once put it: "We shall have to make the choice between relatively minor adjustments caused by increased imports or major adjustments caused by decreased exports."

The United States is a wealthy Nation. With only 6 percent of the world's population, she produces over 40 percent of the world's goods and services. Yet our country is dependent on imports from all over the world. If these imports were to be completely cut off, our daily life would change drastically until adequate substitute for vital imports could be found. Our automobiles, telephones, radios, television sets, and a hundred other modern necessities would become useless when parts depending on imports would wear out. We would be threatened with mass unemployment. And our defense program would collapse.

Every automobile needs 38 essential materials which are largely imported. Forty-eight imported products go into every telephone. Not a single pound of steel can be made without manganese; nine-tenths of our supply of this vital ore is imported. We import all of our chromium and tin, ninety-nine percent of our nickel, 65 percent of our bauxite (essential to making aluminum) 42 percent of our copper, and so on.

On the average day about 418,000 tons of imports, worth $42 million, arrive at American ports. Only about one-eighth of these imports are finished manufactured products which can compete with American made goods. At the present time our annual imports total more than $11 billion.

Other countries need our products and we need theirs. We need to export in order to buy the necessary imports for our own economic health. A substantial loss of foreign markets could damage our entire economy. The United States cannot export unless other countries have dollars to buy our products. To get dollars they must sell to us. Trade is a two-way street. If the traffic slows down on one side of the street, it will have to slow down on the other. A balanced and high-level flow of world trade makes for worldwide economic health. The interdependence of nations is nowhere more clearly apparent than in the economic realm.

This is not the place to discuss the technical details and procedures for increasing trade. I merely want to make the point that we must seize every opportunity to move toward this desirable goal, and to take appropriate governmental action to help those industries which may suffer undue hardship, because of increased imports.

I might say in passing that I believe international trade should not be restricted to the nations of the free world. I favor certain types of trade with the Communist bloc. This will, of course, have to be undertaken with proper regard for legitimate security considerations.

2. Utilizing our agricultural abundance: One of the most vexing problems facing our country is the so-called agricultural surpluses resulting from over abundance. This is a serious domestic problem which has far-reaching international implications. It is clearly to the advantage of the United States to use stored-up food and fiber before it becomes worthless. If we simply give it away to needy countries without regard for normal marketings or opportunities to benefit the recipient country as well as ourselves, we run the risk of upsetting world market prices which may result in injury to the economies of other nations. Even if we sell our farm surpluses at the world market price, and advance credit to purchase them, we will be competing with other countries whose need for export may be greater than ours—unless we find and use economic tools for converting our food to useful purposes, that save, rather than detract from, our basic foreign policy objectives.

There is no easy solution to this complex problem. We always have to ask ourselves three questions: What is good for the American farmer? What is good for the U.S. economy? What will best serve our goals of helping to strengthen our free world allies and the uncommitted nations?

In answering these questions wise statesmenship must make difficult and discriminating decisions which honor the legitimate claims of each competing interest.

I believe a way out can be found. I believe the utilization program under Public Law 480 can and should be extended and enlarged so that our farm abundance can serve the needy overseas without hurting our closest allies. I will support efforts in this direction. I regret to say that the administration plans to spend $14 million less under Public Law 480 for fiscal 1960 than is being spent during the current year.

3. A 5-year development loan program: In the foreign-aid picture I have supported the Marshall plan, the point 4 program of technical assistance and direct grants for economic and military aid. I have supported U.S. participation in the technical-assistance programs of the United Nations. I think each form of assistance has a proper role to play. I would support an expanded program of technical aid under the point 4 program. But I am firmly convinced that the greatest opportunity for achieving substantial economic development in the politically uncommitted areas lies in a greatly expanded capital loan program.

In the 19th century the London capital market provided vast sums of money for the development of economically backward countries, including the United States. Today, the United States is the largest single source of capital, and yet the proportion of our gross national product going into development abroad is far smaller than that of Great Britain a hundred years ago.

In the spring of 1957, when congressional support for foreign aid was at its lowest ebb, up to that time, three distinguished research agencies recommended that the United States put foreign aid on a long-term basis of perhaps 20 or 30 years and that our Government appropriate the $2 billion a year for economic development. (The three research agencies were the Committee for Economic Development, a business-sponsored organization; the University of Chicago Research Center in Economic Development and Cultural Change; and the Center for International Studies at MIT.)

This recommendation for a greatly increased air program was not a harebrained scheme, but the product of some of the finest scholars in the country—men who know the capacity of the American economy and the requirements of leadership in a world threatened by communism. And, I might add, men who represent the finest humanitarian traditions of America.

With this type of backing, I do not hesitate to propose a $10 billion development loan program over a 5-year period. We spend $50 billion a year on defense and perhaps even this is not enough. Can we not invest 5 percent of this amount in the future of Asia and Africa? I believe we can. I believe we should.

I believe the program should consist largely in long-term, low-interest loans which can compete effectively with what the Soviets are doing. I believe that the projects for which loans are provided should be thoroughly appraised by competent specialists so that the capital will be well spent. We must take into account the absorptive capacity of the recipient country. We must avoid waste and corruption.

There will be risks, but the need is great. The challenge is inescapable. President Truman's point 4 idea was called "a bold new program." It was new, but the majority in the Congress never permitted it to become bold.

Since then the urgency has increased. The time for a bold new program is upon us. And I believe that there are more and more Members of both Houses of Congress who are willing to match the challenge of our times with courage and boldness.

Walter Lippmann recently said something which every lawmaker and every administrator would do well to ponder. He said if you want public support for a Government program, make it big, bold and imaginative—appeal to the public's sense of responsibility and willingness to sacrifice. In attempting to second-guess the public, I am convinced that political leaders too often sell them short.

Massive investment is essential, and most of the capital must come from private sources. It cannot and should not come only from governments. In fact, governments should invest only when private sources are unable or unwilling to meet the legitimate needs for development. Private investors cannot afford to take large risks. Recipient countries should, of course, do all within their power to make private investment attractive, promising a reasonable return for the investor. I am glad to say that India has recently taken several significant steps to make private investment attractive. Any potential investor should look into new opportunities in this, the pivotal nation in Asia.

But it is not possible for an underdeveloped country to remove all risk to private investors. The countries needing aid most desperately often are the very ones where the risk is greatest. It is in these cases of great need and risk, where both the economic and political stakes are high, that government loans are required.

And if the free world does not provide investment capital, we can be sure the Communist bloc will. It is unfortunate, but understandable, that the fear of communism may prompt us to do what we should have done all along and what Great Britain in fact did in the 19th century.

CONCLUSION

I want to conclude by applauding Mr. Douglas Dillon, the Under Secretary of State for Economic Affairs, for his leadership in the area of long-term investment loans. I support him. But I fear that he has not gone far enough. Perhaps he is afraid that the Congress will not support him. Or, more likely, he may be afraid that the President will veto a more dynamic program.

Our Nation and our people face a massive challenge today.

The economic, political, ideological, and military offensive of a dedicated and determined foe confronts us at every turn.

Can the American people respond to this challenge with courage and wisdom?

The answer is "No," if we continue to sweep unpleasant facts under the rug of a complacent optimism. The answer is "No," if we are content with smooth words and soothing sirup from a man whose main task should be to jolt us from our lethargy. The answer is "No," if we continue to prefer tail fins and mink-lined suburban nests to first-rate schools and a responsible, if costly, foreign policy.

But the answer need not be "No." I firmly believe that the American people have the moral resources and political wisdom to respond with courage and determination. I know we have the economic resources to do the job that needs to be done. We can do the job if we have leaders who lead, leaders who can impress us with the deeper meaning and urgency of the crisis.

There is no substitute for leadership, leadership hardheaded enough to face the facts of life and warmhearted enough to honor the cherished values of our Western religious heritage.

A Fair Trade Law Is Not Necessary

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the Federal Trade Commission Act, section 5, states, "That unfair methods of competition are hereby declared unlawful."

More precisely the Robinson-Patman Act, section 3, states:

> It shall be unlawful for any person engaged in commerce * * * to sell, or contract to sell goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

State laws are also directed at so-called loss leader or unfair practices. So what the proponents of fair trade dislike, they already have protection against. Further, why have fair trade proponents shied away from loss leader bills in times past when they were introduced to meet the problem of predatory pricing?

The basic answers to fair trade are not being sought or found by a study of H.R. 1253. What is needed is an objective statistical study of these questions: First, are not small businesses flourishing in areas where there is no fair trade protection? Second, in States where fair trade laws have been invalidated, have small businesses disappeared? Third, prior to the passage of any of the fair trade laws were there no small businesses in the United States? Fourth, are there no small businesses that sell furniture and major appliances, items which the manufacturers have rarely fair traded?

Such a study should precede a fair trade bill. Meanwhile the consumers are way ahead of those Congressmen who think resale price maintenance is good for buyers.

Perhaps the more immediate problem concerns the Justice Department survey which shows a 27 percent lower price in non-fair-trade areas for 119 items compared to fair trade areas. How could a Member of Congress vote for fair trade and higher prices, leaving the posed questions unanswered, and then face constituent consumers?

Address by Hon. Hugh Scott, of Pennsylvania, at Annual Meeting, Fellows of American Bar Foundation

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. KEATING. Mr. President, the distinguished Senator from Pennsylvania [Mr. SCOTT], recently delivered a timely address in which he called on America to revive the great institution of patriotism. His remarks, delivered to the annual meeting of the Fellows of the American Bar Foundation on Washington's birthday, deserve the widest dissemination possible.

By thoughtful analogy to the experiences of some of our soldiers in the Korean conflict, the Senator from Pennsylvania points out that our schools and our Nation in general are failing to teach the great heritage that comes with being an American. He calls for an unremitting emphasis on the origins of our Nation, on what made it strong and great and kept it free, upon fundamentals of our national purpose.

I believe this clarion call to Americans to revive the teaching of the ideals which have made our Nation great should be read by every American. The Senator from Pennsylvania has performed a real service for our people by his able presentation of this problem.

So that a larger readership will be able to have the benefit of his wisdom, I ask unanimous consent that this splendid address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR HUGH SCOTT AT ANNUAL MEETING OF THE FELLOWS OF THE AMERICAN BAR FOUNDATION, EDGEWATER BEACH HOTEL, CHICAGO, ILL., FEBRUARY 22, 1959

My good and long time friend, Dave Maxwell, Mr. Luce, Mr. Malone, Mr. Williams, distinguished guests, ladies and gentlemen, congressional and public interest in the progress of the missile programs of the United States and the U.S.S.R., increases in intenstiy. What it will cost to close the missile gap, how long it will take, what procedures to follow, who's right, who's wrong—no current topic sparks more discussion, be the locale bar meetings, Bar Harbor, or barrooms.

That this gap exists, few will deny. Yet how many are aware of a far more menacing, infinitely more dangerous gap in our long range national security planning?

The closure of the missile gap is basically a matter of how much we are prepared to spend to maintain our security through fully adequate, deterrent, and retaliatory forces. This, of course, involves considerations not limited to, or by, numerical quantity of weapons.

What of this other gap? It is not one which can be bridged in a year, perhaps not in a dozen years.

Let us look at what befell us. Our country entered the fifth decade of our century rich, bounteously blessed, lolling at the wide end of the biggest cornucopia in the world. Then, seemingly all at once, and out of context with our proud national history, we developed a flaw. A flaw which could widen into a crevasse.

"In Every War But One," as a recent book of that title by Eugene Kinkead records, our Armed Forces presented no problem of loyalty, caused no concern in the country as a whole regarding the conduct of the individual American when a prisoner of war. That one war was the Korean war.

Oddly, and without precedent, not a single American prisoner of war managed to escape, for the first time in any of our wars. Twenty-one Americans elected to remain with the enemy.

This in no way derogates from the courage, devotion, and magnificent conduct of most American fighting men in Korea, but what of the fact that over one-third of American prisoners of war collaborated to at least a minor degree with the Communists, and about 13 percent became active collaborationists?

What went wrong?

Capt. L. S. Robinson, U.S. Navy, says: "It was lack of home training, loose standards, the idea of the fast buck, the quick deal." He lays the blame also to the almost total disregard of authority and to the unpopularity of the war.

I think it goes much deeper than that, especially when we consider the success of Red Chinese indoctrination tactics. I used the term "indoctrination" rather than "brainwashing" since the Army definition of brainwashing is a process producing obvious alteration of character whereby the subject ceases to be the same personality he was before. There is no real evidence of the use of the kind of severe measures required to effect a change of personality. What was accomplished here, was rather a change of viewpoint whereby Americans were persuaded to adopt the enemy's propaganda as their own. Incidentally, while there is plenty of evidence of disciplinary cruelty, there is not a single documented case of cruelty being applied in the indoctrination of prisoners. The method used was an alternation of leniency with pressure, the continued relentless repetition of plausible, seemingly factual statements.

The techniques used by the Chinese Communists were repetition, harassment and humiliation. Prisoners were required to cram on Chinese literature and were constantly examined on Communist ideology day in and day out, week in and week out. As the author of the book I have referred to states: "The technique of harassment was equally successful. * * * of the three tactics, the third, humiliation did the most psychological damage." Although prisoners were specifically promised leniency, any prisoner who questioned a point of Communist doctrine during a lecture period was required to remain seated and the entire class of his fellow prisoners ordered to stand and remain on its feet until the objector had abandoned his objection. This led the other prisoners after hours of standing to complain and mutter against the objector and ultimately led to his capitulation. The prisoner was then required to read a long self-criticism ending with an abject apology to the class and the instructor followed by a period wherein his classmates were ordered to criticize him which they did. He in turn was made to criticize his classmates. This

technique ultimately led to complete distrust of each prisoner by every other prisoner and the effect on morale was obvious.

Why were these arguments effective? They were effective because our soldiers had little or no grounding in American foreign policy, little interest in current events and wholly inadequate grounding in American history or the basic tenets of the individual's duty to his country.

Were these American soldiers incapable of learning? True, many had immature minds and some had not gone beyond the fifth grade. But they returned to the United States able to recite long passages from Karl Marx from memory, they had studied the theoretical writings of Lenin and Stalin until they could argue the merits of communism and its superiority to democracy with some of the best educated Army interrogators. It ought to be added here that many of the collaborators came from the ranks of those who were bright and who had had an average or better than average education. Indoctrination therefore was successful to some degree in all groups and the degree of education was evidently not the controlling factor.

There has been failure in depth here, on the part of teachers and public officials. Failure in home training played its part too. Too many young soldiers had been indoctrinated before they ever landed in Korea, in the belief that it's what you get, not what you give, that counts. "The fault, dear Brutus, that we are underlings, lies not in our stars but in ourselves."

The growth of governmental paternalism, the promise to vote benefits out of the pockets of some people into the pockets of others, the concept of America as the "Lady with the Ladle" rather than the "Lady with the Lamp," these ideas had found fertile ground in the minds of young men who had never been taught to honor sacrifice, to respect unselfishness, to feel devotion to a cause, to love one's country, to cherish the memory of those who died in all our wars for freedom's cause.

Those who faltered were the "beat" of this generation. There were so many more who met their duty and their destiny with gallantry and patriotism.

But those who failed are a charge upon our conscience, a warning of signs of decay among us, a peril to our future security. "He that cannot think is a slave; he that dare not think is a coward; he that will not think is a bigot."

Before patriotism goes out of style, should we not busy ourselves with some wise remedial planning?

I believe we must, through State and local programs, reexamine and drastically overhaul our present methods of instructing our youth, in grade school, high school and college. Here is a quote from an interesting letter written by a college girl which appears in the March issue of the Atlantic Monthly: "My academic preparation had included work on the school annual, student service in the school library, traffic laws and safety, courses in poise, and a culture course that somehow never went beyond young person's guide to the orchestra." One wonders whether the high school in question had any courses in American history, civics, government, and one may be permitted to wonder also what textbooks may have been used. The Federal Government should reexamine its Armed Forces indoctrination and orientation programs, even though there has been progress in this area in the past 5 years.

We need unremitting emphasis on the origins of our Nation, on what made it strong and great and kept it free, upon the fundamentals of our national purpose.

I would like our schools to stir our students to love of country, to prepare them to counter the washers of brains with undeviating faith founded upon knowledge of our country's principles and policies, with the sturdiness of their conviction in the justice of our country's cause. And if this be propaganda, I would also like our Armed Forces to employ much more of it.

Nor is it sentimentalism which leads me to suggest that I would like to hear again in the classrooms of America, the stirring stories of our clearing of the wilderness, the wintry tale of the agonies of the men of Washington at Valley Forge, the gallantry of Ticonderoga, Antietam, Chateau Thierry, and Iwo Jima.

I would like to hear again in the classrooms of our Republic, the rolling cadences of "Hail, Columbia", "The Battle Hymn of the Republic," "The Halls of Montezuma." I should like to be assured that from these, our halls of learning, our sons and daughters depart with the chambers of their minds filled with the beauteous and pleasant riches of wisdom, tolerance and patriotism. So armed, they will meet and conquer the menace of any Red schoolhouse.

These things I would like,
And so, I think, would you.

Benson Gaining Support

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. DIXON. Mr. Speaker, from the days of the early Greeks and Romans, and even before, the vitality and growth of a nation could be determined by the activity of that nation's markets. Free markets, bringing together free sellers and free buyers, served as the mainspring behind national progress.

Someplace along the line we in America sacrificed our free agricultural markets on an altar of expediency and fear. We became fearful that our agricultural economy could not prosper as a free facet of our economy. We started to shelter, to control, and to regulate it. Today we have all but smothered it.

A leading exponent of free markets, of course, has been our dedicated Secretary of Agriculture, Ezra Taft Benson. He has warned the American people of what is happening to our agricultural economy. He has pointed out that agriculture must be given room for breathing and expansion in free markets. For his trouble, the Secretary has been maligned and has suffered indignities not befitting a man of his character and demonstrated ability.

Daily, however, Secretary Benson has found new allies, both in the field of agriculture and without.

One of the most important allies, not only for Secretary Benson, but for the entire agricultural economy, has been the Board of Trade of the City of Chicago. The support of such a group is important, because the sole purpose of the board of trade is to bring buyer and seller together freely for the buying and selling of agricultural products. The activities of the commodity exchanges is a vital link in the chain from production to distribution. As a result of bringing the competitive forces of supply and demand together in this fashion, grain and grain products are distributed nationally and internationally. The operations of the Chicago Board of Trade are under rigid self-imposed rules of business conduct, as well as Government regulation. The board's primary objective is to provide the Nation with the most efficient grain marketing services at lowest possible costs.

I should like to conclude these remarks by including in the RECORD the agricultural policy statement of the Board of Trade of the City of Chicago, adopted recently. The policy statement follows:

AGRICULTURAL POLICY STATEMENT

Despite having, for over 6 years, a Secretary of Agriculture dedicated to free markets, the entrenched bureaucracy and self-interest of those who prosper under control have led the country further down the road to complete Government domination of the free agricultural marketing system. The President of the United States, in his state of the Union message, indicated that by July 1, 1959, Commodity Credit Corporation would have $9 billion tied up in loans and surplus commodities, and that the carrying charges on this mountain of production would run to $1 billion annually.

This continued expansion of CCC and its increasing inroads into the marketing of grain has brought a greater awareness to the majority of the membership of the association of the problems, and of the need for positive action. It is time to take up the challenge, since it is clear that the natural course of events cannot be depended upon to help free markets.

The board of directors of the Board of Trade of the City of Chicago has, therefore, adopted the following as basic policy to guide the association in its continuing struggle for restoration of free markets.

"We must go on record as being vigorously opposed to all programs and policies that result in agricultural food and fiber not clearing through the market. Therefore, basic policy of the Chicago Board of Trade is to:

"1. Take a more aggressive stand on the elimination of governmental competition and domination of free markets.

"2. Act as a more forceful spokesman in defense of the private marketing system as opposed to State trading.

"3. Give open support to those farm leaders and farm organizations when those leaders and organizations work for the programs that benefit the private marketing system.

"4. Support legislation which will keep the Government from acquiring surpluses of commodities."

Why Not Enforce Existing Law?

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the fair trade bill, H.R. 1253, now before the Interstate and Foreign Commerce Committee endeavors to make legal—by setting aside antitrust protection—resale price maintenance. Resale price maintenance legislation is not needed to prevent predatory price cutting. The Sherman Act and the Robinson-Patman

Act—particularly section 3—have been passed by previous sessions of Congress to prohibit such predatory price cutting.

Now we are asked to set aside the law providing these protections and enact a law to shackle the free enterprise system.

Is it not about time that Congress, through its committee, stopped buying a "pig in a poke," accepting and dignifying the proponents claims as valid? Rather, we should investigate why so many proponents of this bill feel endangered by predatory price cutting which is already illegal. Let us first decide the shortcomings, if any, or lack of enforcement of existing law before we impose federally sanctioned price control.

Memorial Tribute to 2d Lt. Kenneth G. Fauteck

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. HALPERN. Mr. Speaker, Monday's newspapers announced the finding in Spokane, Wash., after a 16-day search, of the body of little 9-year-old Candice Elaine Rogers who had disappeared as she was selling Camp Fire Girl mints near her home.

The Nation has been deeply horrified by the wanton brutality of this crime. It is the hope of all of us that the vicious murderer may soon be apprehended and brought before a court for trial.

Today, I want to say a few words, in both pride and sorrow, about another very tragic phase of the case, the heroic death of a young man who grew up in my congressional district, the Fourth District of New York.

Kenneth G. Fauteck, a second lieutenant in the Air Force, who was killed in a helicopter accident near Spokane, on March 7, was the eldest of the two sons of George and Marie Fauteck, of 216–18 117th Road, Cambria Heights, N.Y. He was pilot of an Air Force helicopter, and was, with four other crew members, engaged in a volunteer search up the Spokane River for the missing little girl, when the helicopter struck some high-tension wires of the Washington Water Power Co., and fell in wreckage into the Nine Mile Reservoir. Two others were killed with Kenneth: S. Sgt. William A. McDonnell, and A2c Marlice D. Ray. Two survived, with minor injuries: S. Sgt. James L. Fisher and A2c. Michael R. Holloway.

Kenneth Fauteck leaves a young bride, the former Eleanor Dengler of Ozone Park, N.Y., to mourn his loss and to take pride in the memory of his brave sacrifice. Otto Gumaelius, to whom I am grateful for sending me word of this sad event, well asks:

> In a time of peace, what greater glory can a young man have than one who, while serving in the Armed Forces of the United States, unselfishly and heroically gives up his life so that a child might live?

Police Inspector Robert B. Piper, in whose search for the missing child Kenneth Fauteck and the others were assisting, said:

> How do you thank men for such a noble gift? Their deaths are a great tragedy. I know the boys who died felt it was as necessary as anything in the world for them to do what they did.

The mayor and the City Counsel of Spokane have similarly expressed their gratitude and grief, personally and in the name of the city of Spokane. But it seems fitting also that there be a recognition of the sacrifice of Kenneth Fauteck in particular, here on the floor of the House, at once local, in that I represent his home district, and national, in that I am speaking before the House of Representatives of the United States.

Kenneth was but 22 years old, and had been married only a year this month. He had, after his marriage on March 2, 1958, been transferred in rapid succession from Mitchel Field to Georgia, to Texas, to California, and finally to Fairchild Air Force Base, Spokane, Wash. His quick intelligence and eager interest in flying had enabled him, without having completed high school, to earn his officer's commission. It seems sure that he had a great career, in service and achievement, before him—but no length of life could have earned him more gratitude and glory than his death in the performance of this brave act. As a symbol of the recognition Kenneth Fauteck has deserved from his country, I am sending to his family, in tribute to his memory, an American flag that has flown over the U.S. Capitol.

Women Won't Need To Shop Any More

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the consumers of this Nation shopping for sales, a cheaper price, a bargain, make millions of daily decisions which in total establish the prices of merchandise.

The right price is that price the buyer will pay by choice after comparing competitive items. Other matters, such as credit terms, delivery, warranty, and the like, are present, but change not the fact that the price is, by definition, the mutual choice made by buyer and seller. The buyer may haggle to get the price reduced. The merchant may hold the merchandise for a period, reduce it, have a sale, or throw in a bonus. The sales price is still the amount the buyer will pay.

Now by Federal law, known as fair trade, H.R. 1253, the Federal Government is to be asked to set aside antitrust law and let the manufacturer set the retailers' price. Is the give and take of the marketplace between buyer and seller now to go out the window? Might as well tell the women, as one fair trade exponent commented, "It won't be necessary to shop any more."

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. MULTER. Mr. Speaker, 138 years ago the national flag of Greece was unfurled to ignite the great revolution against foreign rule. Today the Greek people take rightful pride in celebrating this historic day, March 25, 1821, which heralded the beginning of the end of the suppression of the Green Nation by the despotism of the Ottoman Empire.

Freedom-loving people throughout the world have drawn inspiration from the long, hard, valiant, and epic struggle of the Greek people for independence. Greek Independence Day has immortalized the bravery and devotion of this proud nation's warriors and martyrs. On this stirring occasion the free world is once again reminded that "eternal vigilance is the price of liberty."

The spirit of Greece's passion of independence was strikingly captured by Lord Byron when, on the eve of the War of Independence, he wrote:

> The isles of Greece. The isles of Greece.
> * * * * *
> The mountains look on Marathon,
> And Marathon looks on the sea;
> And musing there an hour alone,
> I dreamed that Greece might still be free;
> For standing on the Persians' grave,
> I could not deem myself a slave.

Ancient Greece was the cradle of liberty. Apostles of freedom still look to Greece, both ancient and modern. For it was there that the Western concepts of representative government and the rule of law were mothered, and it was in classical Greece that political theories antagonistic to tyranny first were born, later to mature and inspire the great democratic movements of modern civilization.

Today Greece, precariously situated on the border of the Soviet empire, is a compelling example of the perseverance and sacrifice necessary to defend democracy against the dynamic threat of Communist aggression. Greece is now economically poor. Nevertheless, it manages to spend 5 percent of its gross national product on its military establishment. Assistance from the outside is essential to assure Greece a stable economic system and a viable future amidst the distresses of the cold war. The United States and its allies are now providing this help, a token of the great debt which their civilization owes to Greece.

After World War II, when strong pressure was applied by the Soviet Union and subversion by the Communists had engulfed the country in civil war, the

United States came to the aid of Greece. As a result of assistance from this country, the wartorn economy of Greece was reconstructed and the Communist insurrection was suppressed.

The continuing freedom and security of Greece is of great importance to the free world. At the same time, the security of Greece as a free nation contiguous to the Soviet bloc is vitally dependent on the strength of the Western alliance. Since 1950, Greece has been associated with the North Atlantic Treaty Organization in planning for the defense of the Mediterranean. Greece's land, sea, and air forces are now linked with the combined NATO command for southeastern Europe and have participated in the joint exercises for developing a coordinated defense program for the eastern Mediterranean. The armed services of Greece are supplied with modern arms and equipment under the NATO programs.

In this way, Greece has undertaken to assume its responsibility for the defense of the Balkans and the eastern Mediterranean. Consequently, the area bridging Europe is more secure and the southern flank of NATO is more strongly fortified.

On this anniversary, the United States salutes the Greek people for their monumental contributions, past and present, to our country and to our civilization. Throughout the land, there are over one-half million Americans of Hellenic background. Our country is a much improved place because the patriotic and resourceful Greek people have contributed their magnificent heritage toward building a greater America.

Fair Trade Violates Both Political Parties and Congressional Oath

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, Republicans often praise the merits of the free enterprise system and stress principles of balanced budget, fiscal responsibility, price stability, sound money and freedom from price and wage controls. These are good and true principles, it seems to me.

Now comes the Fair Trade Act, H.R. 1253, to enforce by Federal law a retail stipulated price system permitting the manufacturer to set these prices. Well, it is price control, contrary to Republican principles. As to inflation and sound currency—well, fair trade items in a comprehensive Justice Department survey cost 27 percent more than in a nonfair trade area. This certainly cuts buying power. Price stability? That, too, is out the window. In short, fair trade fails the best of Republican principles.

Democrats constantly attempt to identify themselves with common people, the little man, the average consumer. Well, these price fixing laws are not in the interest of the consumer.

Democrats and Republicans share principles rooted in American tradition—that set us apart as a Nation from foreign ideologies—no matter the differences between parties. Members of Congress by oath subscribe to the balance of powers between the branches of Government and between Federal and State. This fair trade bill would be a Federal encroachment on State jurisdiction.

Fair trade is antithetical to the beliefs of both parties, and to both conservatives and liberals. When Members of Congress get the facts, the so-called fair trade bill will be discarded and discredited.

DAV Services in Massachusetts

EXTENSION OF REMARKS
OF
HON. JAMES A. BURKE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. BURKE of Massachusetts. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Massachusetts citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Massachusetts, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its National Service Headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV National Headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV maintains five national service officers in Massachusetts, located in the VA Regional Office at 1 Beacon Street, Boston, Mass., as follows: Eugene F. Reilly, James J. Sayre, Louis Spencer, Paul J. Sullivan, and Thomas J. Tomao. The DAV department commander is Leo W. Lalley and the department adjutant is Joseph R. Harold, who also serves as executive service assistant to the national commander, Judge David B. Williams, of Concord, Mass., all of whom are my personal friends.

The DAV Department of Massachusetts has nationally appointed representatives to the Veterans' Administration Voluntary Services Advisory Committees at each of the Veterans' Administration hospitals servicing Massachusetts veterans. These DAV representatives and the hospitals are as follows: Bedford VA Hospital, E. Elmer Baldwin, representative; Boston VA Hospital, George J. Lynch, representative; Brockton VA Hospital, George K. Inglis, representative; Boston regional office, Framington VA Hospital, Robert F. Irino, representative; Northampton VA Hospital, Earl A. Gour, representative; Rutland Heights VA Hospital, Alonzo Scott, representative; and West Roxbury VA Hospital, Harry E. Guerriero, representative.

During the last fiscal year, the VA paid out $199,218,000 for its veterans' program in Massachusetts, including $71,227,789 disability compensation to its 93,730 service-disabled veterans. These Federal expenditures in Massachusetts furnish substantial purchasing power in all communities. Only about 13 percent—12,420—are members of the 91 DAV chapters in Massachusetts.

This 13-percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Massachusetts veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	260,603
Claim folders reviewed	217,169
Appearances before rating boards	65,078
Compensation increases obtained	10,194
Service connections obtained	5,013
Nonservice pensions	1,349
Death benefits obtained	180
Total monetary benefits obtained	$4,899,389.07

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in

such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Massachusetts veterans, their dependents, and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment (to utilize their remaining abilities), civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board *can obviously* not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 4.5 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Massachusetts, with a consequent loss of about $1,260,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Massachusetts to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project is thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 28,272 of whom, during the last 8 years, were Massachusetts residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV service foundation is therefore very much in need of the generous support of all serviced claimants, DAV members, and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV Chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent precedent for Massachusetts.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Massachusetts by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

Battle Between Bigs Means Higher Prices

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, consumers pay lower prices for goods in a non-fair-

trade area. Justice's Antitrust Department survey clearly establishes this fact—Bick's statement 1959, appendix 1. In eight non-fair-trade cities, 132 fair trade items sold for 27 percent below fair trade values. Retailers were making money and the consumers did not know how lucky they were to be in a non-fair-trade area. Those paying more did not know how unlucky they were to be in a fair trade area.

The moral is that wide profit margins—now being asked by Federal law—in a fair trade bill—H.R. 1253—are the very reasons that discount houses enter the scene.

We are told that this is a battle between big and little retailers—not so. It is a battle between bigs, and the Federal adoption of this fair trade bill will kill the little independent retailer, not the big stores. As Mr. Bicks pointed out:

> It is more correct to say that the fair trade fracas is one between big retailers or price stores on the one hand, and big manufacturers or quality stores on the other, rather than one between big and little retailers * * * there are money and vested interest aplenty on both sides and the colorful drama somewhat overdrawn of the big foreign operator crushing the little local independent is a poetic legend more suitable for propaganda exploitation than the whole unvarnished reality.

Maybe the small retailers had better get wise to the dangers of fair trade while there is still time and beware of their own national leadership.

Benson Establishes Unbroken Record Opposing Farm Legislation

EXTENSION OF REMARKS
OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. COOLEY. Mr. Speaker, it is my painful duty to report to the House that, with the Nation's agriculture headed into a new and a deeper recession, Mr. Ezra Taft Benson, the Secretary of Agriculture, and this administration have opposed in this Congress every bill taken up by our committee intended to stabilize and strengthen the farm economy.

The Members of the House have introduced 238 bills in the 86th Congress relating to agriculture. To this date, the Department of Agriculture has objected to every one of these bills on which it has taken a position.

This administration has set a course of lower and lower prices and income for agriculture and it stands cold and inflexible against any action of the Congress which might alter this policy of penury for our farmers.

Here is the administration's record in this Congress:

Our Committee on Agriculture called up legislation proposed by the Nation's wheat producers, to attack the surplus problem of wheat, and at the same time to provide a reasonable price for wheat farmers. The administration had conceded that our most pressing problem in agriculture at this time is the accumulation of great surpluses of wheat. Yet, spokesmen for the Department of Agriculture came to our committee room and opposed this legislation.

We called up a bill to restore a reasonable price relationship between corn and the smaller feed grains—oats, rye, barley, and grain sorghum. We did this when Mr. Benson set the 1959 support levels on the smaller grains so low as to assure hardships for the producers of these crops and at the same time to encourage larger planting of corn, already in surplus. Mr. Benson and this administration opposed us.

Consideration was set for legislation to provide a special program of research to discover new industrial uses for the products of our farms. Similar legislation was approved unanimously last year by the Senate. Yet, the Department came in and opposed the bill.

We brought up a measure supported by tobacco growers and the tobacco industry generally, to lower the parity and support level on tobacco, so that American tobacco could compete more favorably in world markets. Mr. Benson's spokesmen told us the cut was not big enough.

The great cotton producing areas of the Old South have been severely hurt by the operation of the acreage reserve of the soil bank. This program encouraged many small farmers to abandon their cotton acres and this has caused injury to the economy of many counties which depend upon cotton. We took up legislation to permit those farmers who do not wish to return to cotton production—now that the acreage reserve is discontinued—to lease their allotments to other farmers, so that a near normal pattern of production might be maintained to support the economies of businesses, towns, and cities which have been built to service cotton production and marketing. Mr. Benson gave a flat "No" to this proposition.

We brought up a bill which would allow cotton and rice farmers in counties where both crops are produced to exchange allotments—acre for acre—so that one farmer might have all his allotment in cotton and the other in rice. Thus a farmer would not have the expense of maintaining machinery for the production of two crops and could more efficiently produce one or the other. The Department of Agriculture opposed this bill.

Finally, Mr. Speaker, I shall cite one other bill which I thought every citizen of this Nation would approve. This measure proposes to provide $3 million additional during the current school term to prevent a closing down of the special school milk program in many States. But spokesmen for Mr. Benson appeared in our committee room and opposed this legislation. That is the bill which our committee reported and which the House on Monday passed unanimously and sent to the Senate, the objections of Mr. Benson and the administration to the contrary notwithstanding.

I do not know why the Department of Agriculture opposed the school milk bill unless it wanted to preserve unbroken its record of hostility to every piece of legislation relating in any constructive way to agriculture.

Incidentally, we should note here that the Department has not bothered to draft a bill of its own price-depressing proposal for introduction either in the House or the Senate.

Mr. Speaker, I do not expect that the President will veto the school milk bill because its benefits are to our children in much greater proportion than to our farmers who provide the milk for this program. But I want to point out to my colleagues here in the House that in this 86th Congress, as in the two previous Congresses, we are working constantly in the shadow of the veto power of the President wherever the primary interests of farmers are concerned.

The President vetoed in 1957 the bill passed by Congress to return farm price supports to 90 percent of parity. He vetoed in 1958 the bill passed by Congress to "hold the line" against any further price cuts until we could enact general farm legislation. The threat of veto killed the omnibus farm bill when it was presented by our committee last year.

We are certain that, if we pass the wheat bill brought forward by the wheat farmers of America, the President will veto it.

We are sure he will veto the effort to bring the prices of small feed grains into a fair relationship with corn, on the basis of feed value.

We sent to Mr. Benson in the last Congress bills proposing revisions in the present loan and acreage allotment program. We forwarded to him bills proposing two-price or domestic parity systems for various commodities which would let these crops move competitively into world markets while maintaining a reasonable price in our domestic markets. We sent to him proposals for production payments, compensatory payments, or marketing equalization payments to farmers. He returned them all with the Department's stamp of disapproval.

We all know that if the Congress proceeds with legislation in any one of these directions, we can expect our efforts and our work to end in a veto.

This is the dilemma which confronts us. And this sorry condition is aggravated by the fact that Mr. Benson, with the propaganda power of the Department behind him, has so divided our farmers and so confused facts that there is not now in the agricultural community of the Nation the unity essential to the enactment of a new farm program to meet the needs of the time—to turn back the economic upheaval on our farms which looms ahead of us.

Mr. Speaker, we are about to recess briefly for Easter, and many Members will visit their home people in their districts. I hope that each Member who represents farmers in this House will preach a gospel of unity, on the farms and along Main Street.

Your farmer friends will want to know why the agricultural economy is deteriorating and why the Congress has not

acted. Tell them how we are working in the Congress. Tell them how our every effort is resisted by the Department of Agriculture. Tell them about the veto power which hangs over us. Tell them over and over again the necessity for unity among farmers if we are ever again to have public policies that promise for farmers a parity position with other great segments of this free enterprise economy.

Fair Trade Federal Dictation Over State

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, fair trade substitutes Federal mandate for State or local discretion. In so doing it replaces the individual retailer's discretion by a manufacturer's edict.

At present the imposing of fair trade law is permissive with the State. Twenty States have invalidated fair trade through State supreme court or State government action.

The pending fair trade bill, H.R. 1253, irregardless of State law, would impose Federal law, with violation and enforcement becoming a Federal matter.

Such further Federal centralization of power plus the harm done the free enterprise system surely merits the attention of every Member of Congress.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. DADDARIO. Mr. Speaker, today, March 25, marks the 41st anniversary of the proclamation of the independence of the Byelorussian Democratic Republic. For this Russian state, as is true for many of her neighboring lands, this day will be a time of mixed emotions. There will be rejoicing that on this day in 1918, Byelorussia finally achieved independence after centuries of czarist oppression, but this joy will soon turn to sorrow because the Byelorussians realize that they have lost their freedom to a new form of Russian imperialism.

The world will witness two different forms of celebration on this day. The first will be a mocking farce directed by Russian Communists and staged in the streets of Minsk, the capital. The Communists will try to create the effect of an enthusiastic demonstration of patriotic loyalty to the Soviet Union, but they will not succeed for such sentiments do not prevail in Byelorussia. The second celebration, expressing the true Byelorussian spirit, will show the world that the Byelorussians are not content to exist as a Russian puppet state. It is paradoxical and tragically ironic that the Byelorussians are not free to celebrate their own independence day. They must muffle their true expressions and desires for national independence, and conform to the manner and theme of demonstration dictated by the Russian organizers who will lead their celebrations. Those Byelorussians who have sacrificed their homes in order to flee from oppression and live in free countries are urging us not to be fooled, but to let the world, especially Russia, know that free people everywhere share the hope that Byelorussia will again be a free and independent country.

Fair Trade Unmasked

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, "There will not be any price competition and there should not be" so spoke witness Edward Wimmer, testifying in behalf of the fair trade bill H.R. 1253.

What is happening to the thinking of our citizens when such statements are made showing such basic misunderstanding? Or is it intentionally the abandonment of the free enterprise which has made this Nation great? In retailing there must be competition; there must be flexibility of price; there must be economic freedom for the retailer to set prices.

Any abandonment of such a basic component part of free enterprise will ultimately destroy all parts of our economic structure, since all are interrelated—supply and demand, profit and loss, consumer buying habits and all levels of manufacturing, distribution and retailing. This is fundamental.

If there are faults, or unfair or deceptive acts, or antitrust violations, let us correct them but not abandon the system. Let us patch up the hole in the boat, not jump overboard.

Sometimes simplest things are most esaily overlooked. Perhaps new laws are not needed, only present law enforced. The Sherman Antitrust Act and Robinson-Patman Act, section 3, are specifically designed for this purpose, that is, unjustifiable price cutting.

Has it not occurred to fair trade proponents that there could even be patterns of change in goods merchandising and distribution that herald growth and improvement, requiring understanding, not another Federal law. This might well deserve the committee study that is now going to the fair trade bill, the wrong cure for a mistaken symptom.

DAV Services in Iowa

EXTENSION OF REMARKS
OF
HON. NEAL SMITH
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. SMITH of Iowa. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Iowa citizens has recently come to my attention. These splendid humanitarian services may not be sufficiently appreciated by many of us or by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Iowa, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited compensated disabled veterans very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time, trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. There they have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV maintains two national service officers in Iowa, Charles L. Huber and Buford L. Phillips, located in the VA Center, Valley Bank Building, Des Moines. Mr. Huber also serves as department adjutant and the department commander is Mr. Joe Terrones, Wendell Court No. 2, Waterloo.

The DAV Department of Iowa has nationally appointed representatives to the Veterans' Administration voluntary

services advisory committees at each of the Veterans' Administration hospitals servicing Iowa veterans. These DAV representatives and the hospitals are as follows: Mr. Henry J. Luckritz at the 560-bed DOM hospital at Clinton, Mr. Joseph Walsh at the 386-bed general medical hospital at Des Moines, Mr. Robert Hess at the 484-bed general medical hospital at Iowa City, and Mr. R. I. Woody at the 1,540-bed neuropsychiatric hospital at Knoxville.

During the last fiscal year the VA paid out $80,315,000 for its veterans program in Iowa, including $19,811,233 disability compensation to its 24,702 service-disabled veterans. These Federal expenditures in Iowa furnish substantial purchasing power in all communities. Only about 13 percent—3,188—are members of the 37 DAV chapters in Iowa.

This 13-percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Iowa veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimated)	55,336
Claim folders reviewed	46,113
Appearances before rating boards	21,800
Compensation increases obtained	4,456
Service connections obtained	1,713
Nonservice pensions	1,363
Death benefits obtained	83
Total monetary benefits obtained	$1,856,649.36

The above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Iowa veterans, their dependents, and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms, and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting the same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, uses his skill, except in behalf of persons he is sure are worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV actional national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1.2 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Iowa with a consequent loss to them of about $336,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Iowa to give his power of attorney for this purpose to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent, expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, many claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income of its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 3,747 of whom, during the last 8 years, were Iowa residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago which concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first Perpetual Rehabilitation Fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established

such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent objective also for Iowa.

Claimants who have received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Iowa by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member for which the total fee is $100—$50 to those born before January 1, 1902 or World War I veterans—payable in installments within two full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, business organizations, trade associations, and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of Americas' disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

I am proud personally to be a member of the DAV.

The Manufacturer's Double Play

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker—

I can, however, suggest a possibly profitable path for this subcommittee's inquiry * * *. Large department stores or mail order houses may well encourage manufacturers to fair trade nationally branded items, the only items which the small retailers can secure. At the same time, such mass sellers may market their own private brands—substantially identical to nationally branded goods—at prices lower than fair trade markups for the nationally branded counterparts. The result could be to enable large retailers, by hampering their smaller competitors' ability to cut prices, to hold an umbrella over the market for their own private branded items. In closing, I take the liberty of suggesting that this question might well be an area ripe for this subcommittee's inquiry.—Quote from Bicks, Justice Department antitrust attorney, testimony.

This quotation is self explanatory. Also, the manufacturer has an interesting part. He gains the right to set the retail price. Thus he binds the retailer and for this new right he contributes nothing himself. Indeed, he is free, after setting a price floor and guaranteeing a profit margin for himself to manufacture identical merchandise for some big store who can set any price it chooses after removing the trademark undercutting the independent retailer with the same merchandise, yet the independent cannot change his price. No wonder the manufacturer wants fair trade. No wonder the big chain or department stores will not be hurt. The wonder is that proponents of fair trade overlook the fact that the only one who can be hurt, even ruined by fair trade, is the smaller retailer and his national lobby representatives are pleading for this bill.

Present Legal Price Maintenance Practices

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, fair trade H.R. 1253 would permit a manufacturer to set prices at the retail level, and for this new right he makes no concession.

Fair trade proponents state that fair trade laws should be permissible since there are other forms of price maintenance which are legal.

Well, let us look at these other forms. They include, first, consignment selling; second, selling through manufacturer-owned retail stores; third, granting of franchises; fourth, selling direct from manufacturer to retailers who will abide by the manufacturer's suggested retail price; fifth, selling direct from manufacturer to consumer; sixth, having your own private brands made up.

Now, analyze each; the manufacturer in each has assured additional marketing responsibilities and risks in order to be able to maintain his price.

Not so in the fair trade bill, which for the manufacturer is "have your cake and eat it too"—that is, until the inevitable consequences of replacing free enterprise with price control by Federal mandate catch up with the industry—then manufacturers will wish for the good old days.

Americans Traditionally Oppose Fair Trade Price Fixing

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, in 1945 the FTC in an 872-page report concluded generally that resale price maintenance was unsound economically, tended to destroy competition, and at least in certain areas, favored the large concerns. So spoke Chairman Gwynne reminding us on the Fair Trade Subcommittee last year that fair trade was traditionally opposed by FTC and the people of this country, as a matter of principle to free people in a free country.

In 1952 the FTC described resale price maintenance as:

Contrary to the public policy expressed by Congress in the antitrust laws since 1890 and contrary to the public policy expressed by Congress in the Federal Trade Commission Act.

Since the concept of resale price maintenance contravenes the traditional ideas of the American system of free competitive enterprise, you would not expect Congress to try to support resale price maintenance. Are we? Yes, by name—the fair trade bill H.R. 1253, permitting the manufacturer to set the retail price on his merchandise by setting aside the antitrust law.

SENATE

THURSDAY, MARCH 26, 1959

The Senate met at 10 o'clock a.m.

Dr. Lawrence Daniel Folkemer, pastor, Lutheran Church of the Reformation, Washington, D.C., offered the following prayer:

We are not unmindful, O God, of this week in which we move, a week hallowed by the memories of one who in obedience to divine truth and righteousness, and in utter self-sacrifice, spent Himself for mankind. Grant, O God, that in the busyness of this week, our minds may not become so preoccupied with our duties that we spare ourselves no time for meditation upon the meaning of His passion. Help us to see the purpose which Thou hast set for us; then grant us the power to follow its course with steadfast courage and loyalty. If following Thy purpose should bring us, Lord, to some Calvary of criticism and rejection, still make us faithful to endure, knowing that Thy truth is vindicated in the joy of an open tomb. Through Jesus Christ, Our Lord, Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 25, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)